CITY OF UNIVERSITY PARK, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2015

Issued by

Department of Finance

CITY OF UNIVERSITY PARK, TEXAS

Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2015

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City of University Park
Committed to Excellence

March 31, 2016

To the Honorable Mayor, Members of the Governing Council, and Citizens of the City of University Park:

The Finance Department and City Manager's Office are pleased to submit the Comprehensive Annual Financial Report for the City of University Park, Texas for the fiscal year ended September 30, 2015. State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report fulfills that requirement.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Crowe Horwath L.L.P., Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of University Park's financial statements for the year ended September 30, 2015. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

City Profile

Incorporated in 1924, the City of University Park, Texas, is a stately residential community located five miles north of downtown Dallas, Texas. University Park is surrounded by Dallas on three sides and by Highland Park on the fourth. The City limits have been unchanged since the 1950's and encompass a land area of 3.8 square miles with an estimated population of 22,840. Home to Southern Methodist University, University Park is known for its excellent schools, fine homes and churches, and outstanding local services.

Government Structure

The City has operated under the council-manager form of government since 1989, after voter approval of a Home Rule Charter. Policy-making and legislative authority are vested in the City Council, consisting of a Mayor and four Council members. The City Council is responsible for approving ordinances, adopting the budget, appointing committees and hiring the City Manager, City Attorney, and City Judge.

Elected on an at-large, non-partisan basis, Council members serve concurrent two-year terms and are limited to three consecutive terms. The Mayor is elected to serve a two-year term and is also limited to three consecutive terms. The City is empowered to levy a property tax on both real and personal property located within its boundaries.

The City Manager is responsible for carrying out the policies and implementing the ordinances of the City Council. He also oversees the day-to-day operations of the government, appoints the directors of the various departments, and prepares an annual budget.

Services Provided

The City of University Park provides a full range of municipal services, including police and fire protection, solid waste collection and disposal, street maintenance and repair, water distribution, wastewater collection, storm water control, traffic control, building inspection, park maintenance, and swimming pool operation.

Internal services of the City, accounted for on a cost reimbursement basis, are fleet services, risk management, and employee health and disability coverage.

The City is also financially accountable for three legally separate entities: the University Park Civic Foundation, Inc., the Southwest Higher Education Authority, Inc., and the Texas Higher Education Authority, Inc. Additional information on all three entities can be found in Note I.A. to the financial statements.

Accounting System and Budgetary Control

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with revenues being recorded when available and measurable and expenditures being recorded when the goods or services are received and the liabilities are incurred. Accounting records for the City's utilities and other proprietary activities are maintained on an accrual basis. Both governmental operations and proprietary activities are being appropriated on an annual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: 1) reliability of financial reporting, 2) effectiveness and efficiency of operations, and 3) compliance with applicable laws and regulations. The concept of reasonable assurance recognizes that: 1) the cost of a control

should not exceed the benefits likely to be derived; and 2) the evaluation of costs and benefits requires estimates and judgments by management.

The annual budget serves as the foundation for the City's financial planning and control. Each year the City Manager submits a proposed budget to the City Council. The Council reviews the budget and undertakes formal adoption of the budget by ordinance by September 30. The City Manager is authorized to transfer budgeted amounts between line items and departments within any fund. Any revisions that alter the total expenditures of any fund must be approved by the City Council.

Budgetary control has been established at the individual fund level. Financial reports are produced showing budget and actual expenditures by line item, and are posted electronically on a monthly basis for City departmental management. Individual line items are reviewed for budgetary compliance. Personnel expenditures are monitored and controlled at a position level and capital expenditures are monitored and controlled on a project/sub-project basis. Revenue budgets are reviewed monthly.

Local Economy

The City of University Park enjoys a relatively stable economic environment, which is largely the result of its economic makeup, residential orientation and highly desirable location in the Dallas-Ft. Worth area. While the overall lack of commercial and industrial base means that the City relies primarily on residential property tax revenue, that reliance also affords a measure of protection from sharp swings in the business cycle. Over the past few years, the City's largest employer, Southern Methodist University, has been expanding both its footprint and prestige through new facilities such as the George W. Bush Presidential Center and the Sophomore Commons student housing area. These projects and the steady increase of single-family home construction substantially contributed to building permit revenues for the City.

In FY2015, the average market value of a residential parcel in the City increased to $1,183,608, a 2.58% increase from $1,153,806 in FY2014. The increase in average market value was offset by a decrease in City tax levy during the year, resulting in a slight overall increase in the tax base. The property tax rate was decreased from 2014 at $0.27432 to 2015 at $0.26979, resulting in a budgeted revenue increase of $879,324 due to the increase in the tax base. The revenue increase allowed the City to continue providing high quality municipal services to its citizens.

Long-term Financial Planning

The City Council continues to endorse both the pay-as-you-go philosophy for infrastructure replacement, and the rolling 5-year Capital Improvements Program as formulated and approved by the Capital Projects Review Committee. The City has been debt-free since 2002.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of

University Park for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2014. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all City employees who assisted in and contributed to the preparation of this report.

We would also like to thank the members of the City Council for their unfailing support in conducting the financial operation of the City in a responsible and progressive manner.

Respectfully submitted,

Robbie Corder	Tom Tvardzik	Civic Yip
City Manager	Director of Finance	Controller

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of University Park

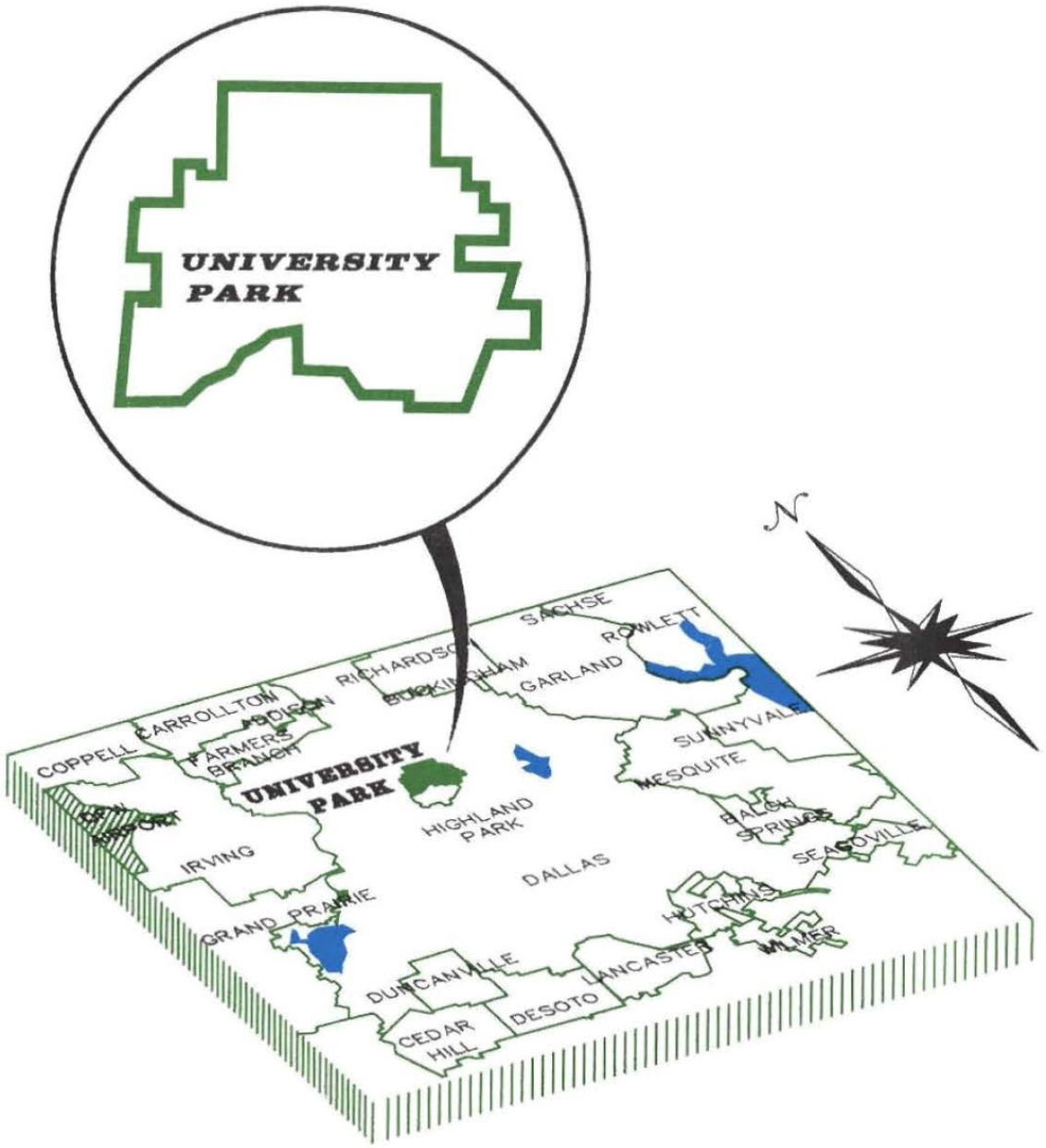
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

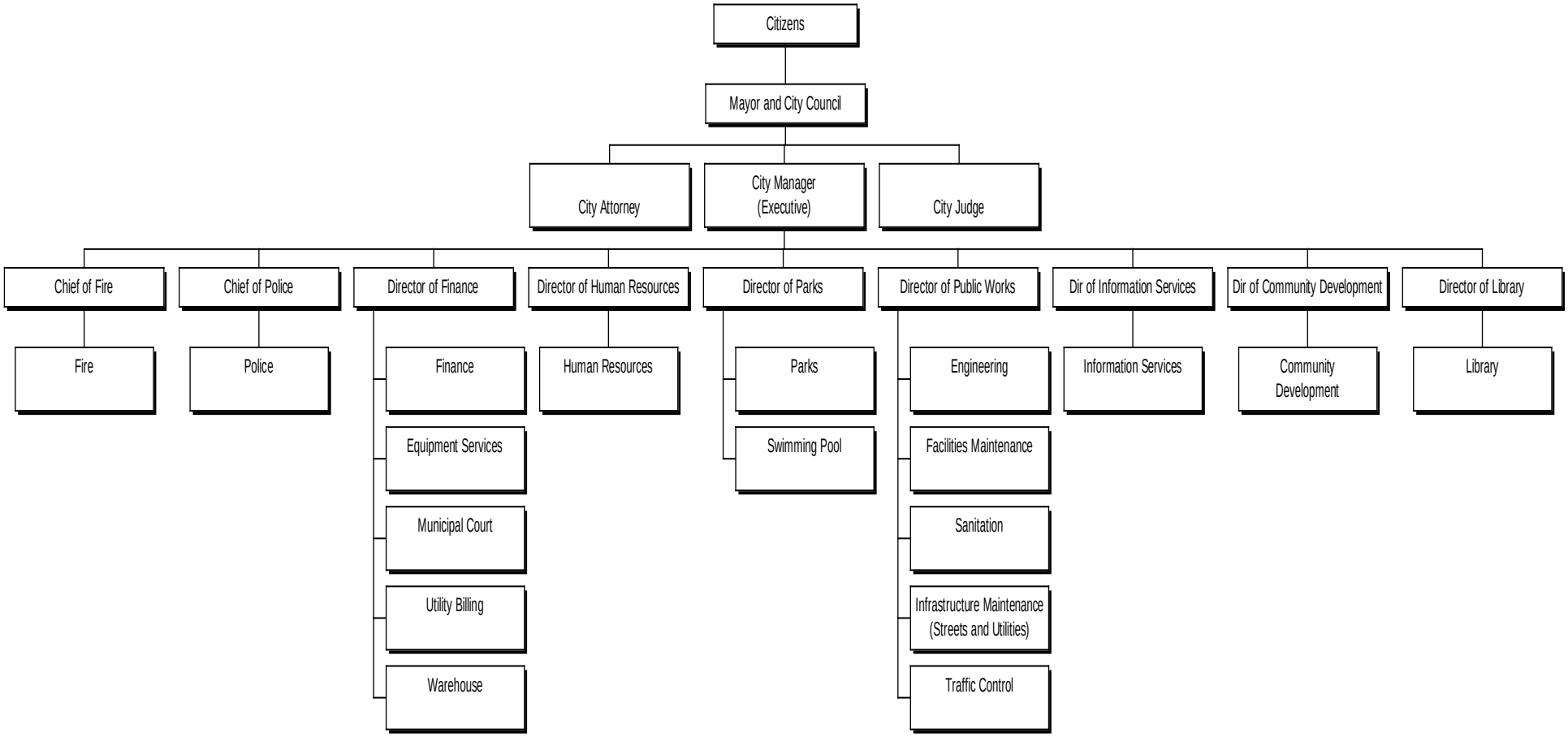
September 30, 2014

Executive Director/CEO

MAP OF UNIVERSITY PARK AND DALLAS COUNTY AREA



City of University Park, Texas
Organization Chart



CITY OF UNIVERSITY PARK, TEXAS

Elected Officials

Official and Title	First Elected	Term Expires	Professional Background
Olin Burnett Lane, Jr. Mayor	2014	2016	Real Estate Developer
Robert Begert, Mayor Pro Tempore	2010	2016	Lawyer
Thomas Stewart, Council Member	2010	2016	General Contractor
Dawn Moore, Council Member	2012	2016	Lawyer
E. Taylor Armstrong, Jr., Council Member	2014	2016	Architect/Real Estate Broker

Appointed Officials

Name	Position	Year Appointed
Robbie Corder	City Manager	2014
Robert L. Dillard, III	City Attorney	1987
James P. Barklow, Jr.	Municipal Judge	1987
Thomas W. Tvardzik	Director of Finance	2013
Civic S. Yip	Controller	2014

Certified Public Accountants

Crowe Horwath, L.L.P., Dallas, Texas

Financial Advisor

First Southwest Company, Dallas, Texas

Crowe Horwath LLP
Independent Member Crowe Horwath International

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of
The City Council
City of University Park, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of University Park (the "City"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of University Park, as of September 30, 2015 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note I.E to the financial statements, in June 2012 the GASB issued GASB Statement No. 68, "Accounting and Financial Reporting for Pensions." Also, in November 2013 the GASB issued GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date". As discussed in note 1, GASB Statements 68 and 71 were effective for the City's fiscal year ended September 30, 2015. These Statements replace the requirements of Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers" and Statement No. 50, "Pension Disclosures." Statements 68 and 71 establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses as well as identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. Note disclosures and required supplementary information requirements about pensions are also addressed. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, on pages 6 through 19 and the Texas Municipal Retirement System Schedule of Changes in Net Pension Liability and Related Ratios Current Period Last 10 Years, and Texas Municipal Retirement System Schedule of Contributions Last 10 Years, University Park Firefighters' Relief and Retirement Fund Schedule of Changes in Net Pension Liability and Related Ratios Current Period Last 10 Years, University Park Firefighters' Relief and Retirement Fund Schedule of Contributions Last 10 Years, Retiree Health Care Plan, Schedule of Funding Progress and Budgetary Comparison Schedule General Fund, on pages 70, 71, 73, 74, 76 and 77 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules and other information such as the introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and the schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Crowe Horwath LLP

Crowe Horwath LLP

Dallas, Texas
March 31, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF UNIVERSITY PARK, TEXAS

Management's Discussion and Analysis (MD&A)
September 30, 2015

As management of the City of University Park ("City"), we offer readers of the City of University Park financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-iv of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by $170,096,870 (*net position*). Of this amount, $49,807,024 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors. The other $120,289,846 represents City investment in capital assets, net of accumulated depreciation.
- The City's total net position increased by $3,393,618 from the prior year, as a result of operations.
- At the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of $40,656,740, an increase of $877,302 from the prior year. Of the total amount, all but $576,174 is available for spending at the government's discretion.
- At the end of the current fiscal year, spendable fund balance in the general fund was $27,576,150. Of the spendable total, $20,750,202 is committed to other purposes, namely: Emergency Reserve $2,500,000; SMU PILOT (Payment In Lieu Of Taxes) Reserve $2,375,000; and SMU Land Sale Reserve $15,875,202, while $306,923 is assigned to various governmental activities. The remaining spendable, unassigned fund balance is $6,519,025.
- The City remains debt free, and has been so since 2002.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City of University Park's basic financial statements. The City's basic financial statements consist of four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements and 4) required supplementary information. This report also contains other supplementary information intended to furnish additional detail to support the basic financial statements.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of University Park's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of University Park that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from other functions that are intended to recover all or most of their costs through user fees and charges *(business-type activities).* The governmental activities of the City include general government, public works, public

safety, parks and streets and traffic control. The business-type activities of the City include water distribution, wastewater removal and solid waste collection.

The government-wide financial statements include not only the City of University Park itself (known as the *primary government),* but also a legally separate higher education authority and a legally separate private, non-profit foundation for which the City is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government should transactions occur Although also legally separate, the University Park Civic Foundation functions for all practical purposes as a department of the City, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found immediately following the MD&A in this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds. A third type of fund, the fiduciary fund, is not utilized.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of University Park maintains ten individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and the Capital Projects Fund, which are considered major funds. Data from the other eight governmental funds are combined in a single aggregated presentation. Individual fund data for each of the nonmajor governmental funds (University Park Civic Foundation, Court Security, Court Technology, Police Training and Education, Police Forfeiture, Fire Training and Education, Library, and Parks Projects and Programs) is provided in the form of combining statements.

The City of University Park adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found in this report following the government-wide financial statements.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type* activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, solid waste, and storm water

operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of University Park uses internal service funds to account for its fleet of vehicles and self-insurance program. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations and solid waste operations. Both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found in this report following the basic governmental fund financial statements.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the Statement of Cash Flows – Proprietary Funds.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees as well as certain budgetary information. Required supplementary information can be found following the notes section.
The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial health. For the City of University Park, assets exceeded liabilities by $170,096,870 as of September 30, 2015, an increase in net position of $3,393,618 or 2%. The reasons for the overall increase are discussed in the following sections related to governmental activities and business-type activities.

The largest portion of the City's total net position ($120,289,846, or 71%) is its investment in capital assets (e.g., land, construction in progress, buildings, improvements, machinery and equipment and infrastructure), less any related accumulated depreciation. The City uses these capital assets to provide a variety of services to its citizens; consequently, these assets are not available for future spending, and with the exception of "business type" assets, do not generate direct revenue for the City. They do represent, however, an obligation on the part of the City to maintain these assets in good repair for the foreseeable future.

The City has no outstanding debt and funds capital asset acquisition and capital projects on a pay-as-you-go basis.

The City has no restricted net position.

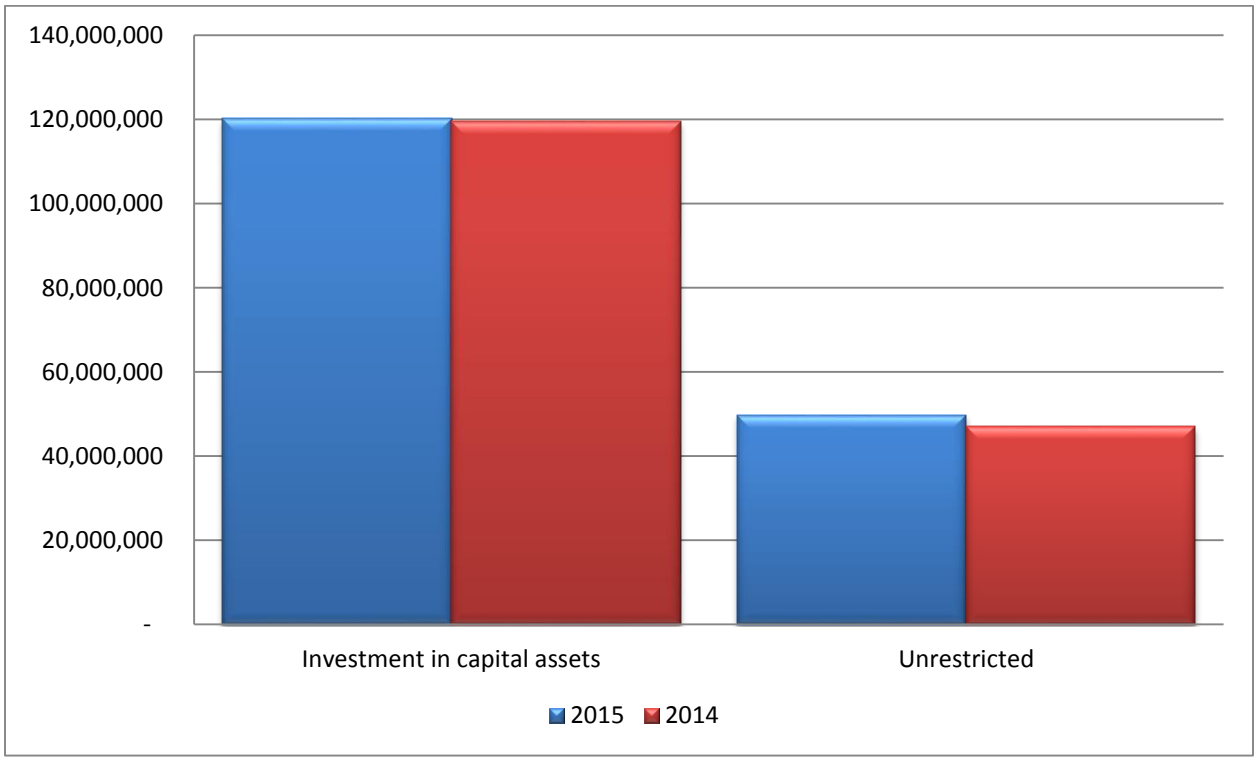
The remaining balance of $49,807,024 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

CITY OF UNIVERSITY PARK - Net Position

	Governmental activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	$ 53,304,718	$ 50,499,405	$ 13,309,106	$ 11,050,107	$ 66,613,824	$ 61,549,512
Capital assets	66,443,113	66,403,103	53,846,733	53,218,776	120,289,846	119,621,879
Total Assets	119,747,831	116,902,508	67,155,839	64,268,883	186,903,670	181,171,391
Deferred outflows of resources	1,987,757	1,517,097	341,895	197,749	2,329,652	1,714,846
Current liabilities	3,200,261	3,244,419	2,128,206	2,311,734	5,328,467	5,556,153
Long-term liabilities	13,002,521	10,293,963	372,807	332,869	13,375,328	10,626,832
Total Liabilities	16,202,782	13,538,382	2,501,013	2,644,603	18,703,795	16,182,985
Deferred inflows of resources	335,439	-	97,218	-	432,657	-
Net Position:						
Investment in capital assets	66,443,113	66,403,103	53,846,733	53,218,776	120,289,846	119,621,879
Unrestricted	38,754,254	38,478,120	11,052,770	8,603,253	49,807,024	47,081,373
Total Net Position	$ 105,197,367	$ 104,881,223	$ 64,899,503	$ 61,822,029	$ 170,096,870	$ 166,703,252

Note: Fiscal year 2014 amounts have been restated for the impact of GASB Statement No. 68.

At the end of the current fiscal year, the City is able to report positive balances in each category of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation was true last year.



CITY OF UNIVERSITY PARK - Changes in Net Position

	Governmental activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for services	$ 4,661,188	$ 4,636,386	$ 17,735,018	$ 18,118,490	$ 22,396,206	$ 22,754,876
General revenues:						
Property tax	16,971,682	16,160,020	-	-	16,971,682	16,160,020
Sales tax	4,229,485	4,014,191	-	-	4,229,485	4,014,191
Franchise fees	2,228,552	2,122,312	-	-	2,228,552	2,122,312
Interest	287,428	172,591	2,230	448	289,658	173,039
Other	1,683,344	4,373,130	64,441	80,837	1,747,785	4,453,967
Donations	84,614	83,759	-	-	84,614	83,759
Loss on sale of capital assets	-	-	(67,665)	-	(67,665)	-
Total revenues	30,146,293	31,562,389	17,734,024	18,199,775	47,880,317	49,762,164
Expenses:						
General Government	5,577,596	5,303,529	-	-	5,577,596	5,303,529
Public Safety	13,866,937	12,870,794	-	-	13,866,937	12,870,794
Streets	2,153,362	1,961,153	-	-	2,153,362	1,961,153
Parks	3,701,838	3,549,975	-	-	3,701,838	3,549,975
Public Works	2,973,871	2,933,931	-	-	2,973,871	2,933,931
Utilities	-	-	13,293,943	13,679,558	13,293,943	13,679,558
Stormwater	-	-	92,646	109,032	92,646	109,032
Sanitation	-	-	2,826,506	2,791,940	2,826,506	2,791,940
Total Expenses	28,273,604	26,619,382	16,213,095	16,580,530	44,486,699	43,199,912
Increase in net position before transfers	1,872,689	4,943,007	1,520,929	1,619,245	3,393,618	6,562,252
Transfers	(1,556,545)	(952,176)	1,556,545	952,176	-	-
Increase/(decrease) in net position	316,144	3,990,831	3,077,474	2,571,421	3,393,618	6,562,252
Net Position - October 1	104,881,223	106,454,684	61,822,029	58,150,764	166,703,252	164,605,448
Impact of change in accounting principle	-	(5,564,292)	-	1,099,844	-	(4,464,448)
Net Position - September 30	$ 105,197,367	$ 104,881,223	$ 64,899,503	$ 61,822,029	$ 170,096,870	$ 166,703,252

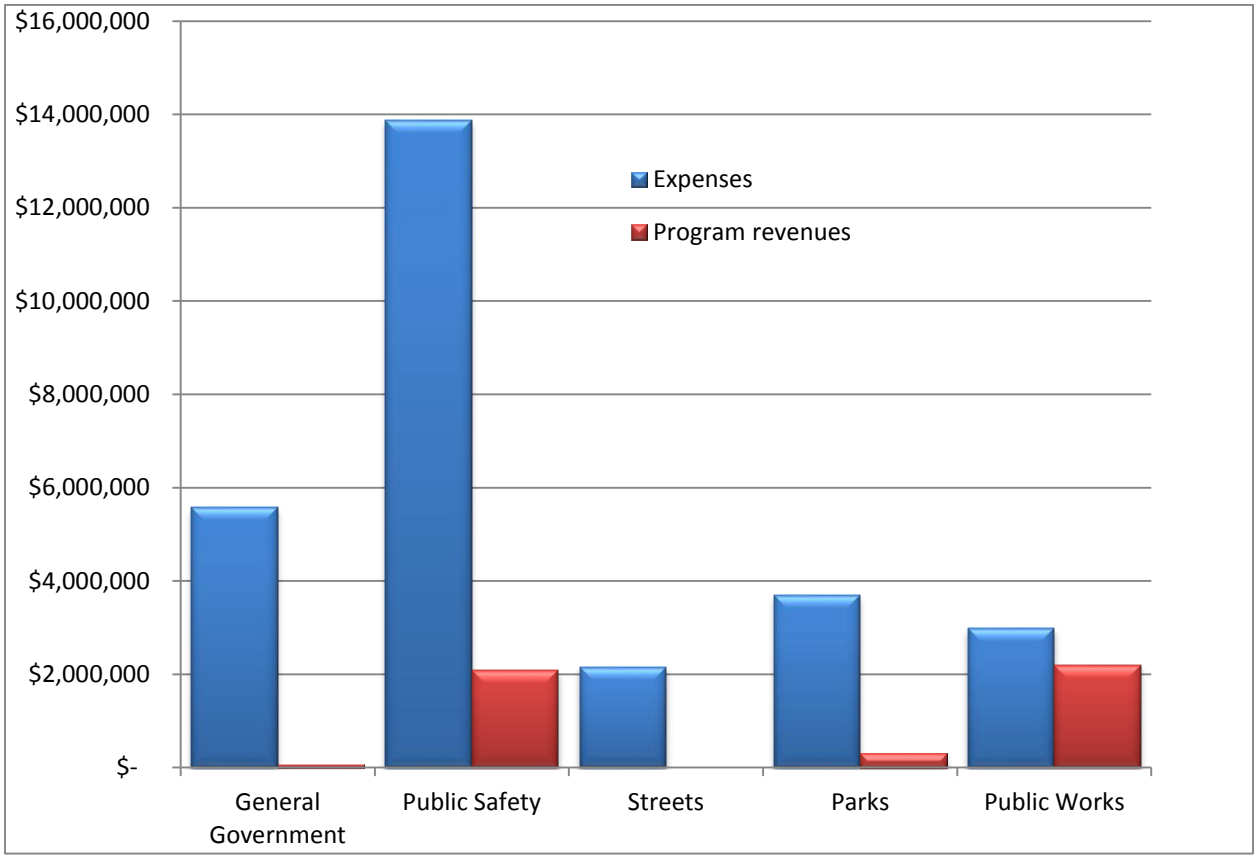
Governmental Activities

- Net position from governmental activities increased $316,144 (after transfers) to $105,197,367.
- Revenues related to governmental activities decreased $1,416,096 (or -4%) from the prior year. The decrease is not due to any structural revenue defect or shortfall, but rather to the receipt in fiscal 2014 of $3,895,000 from Southern Methodist University (SMU). This one-time fee was in exchange for the abandonment of certain rights-of-way and alleys necessary for campus construction. It should be noted that in accordance with City policy, all of the fees received in that transaction were subsequently transferred by City Council to fund ongoing capital projects.
- Major revenue contributors in FY2015 that helped offset the decrease are as follows:
    - Property tax revenue was up $811,662 (5%) for the year, reflecting a continuing trend of rising housing values within the City. Average housing values (and subsequently, property taxes) resumed their climb after a brief stumble during the FY2011 to FY2013 time frame.
    - Sales tax revenue increased $215,294, which is 5% higher than FY2014, reflecting continued consumer confidence.
    - Franchise fees were up $106,240 or 5%, driven primarily by increased natural gas sales in the City.

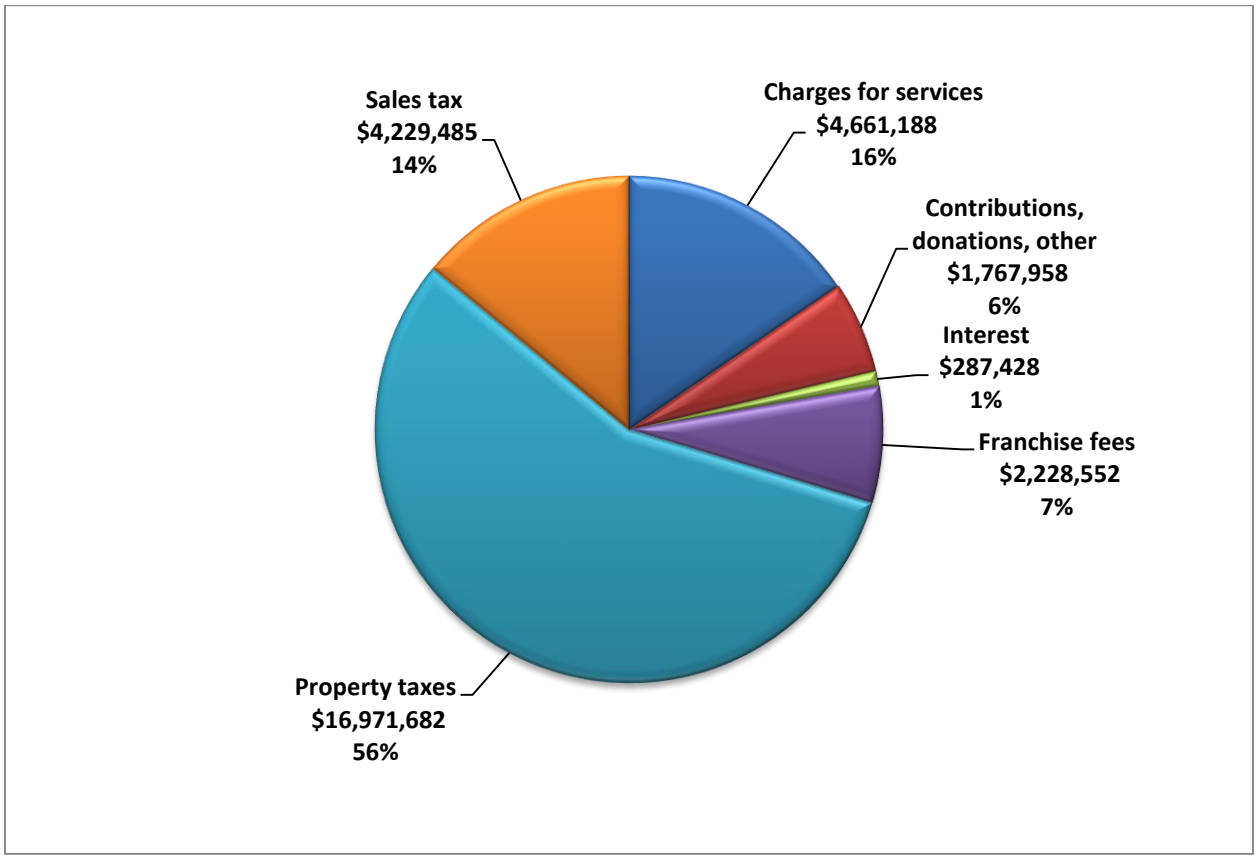
- Interest revenue increased $114,837 or 67%, due to the implementation of a laddered investment strategy in the brokered certificate of deposit sector of the City investment portfolio.
- Although down from FY2014, Other revenue ended FY2015 at $1,683,344, bolstered by both a contribution from the Dallas County/Park Cities Municipal Utility District (intended to help defray the cost of city-wide water meter automation) as well as the sale of alley right-of-way for a project on Lovers Lane.

- Expenses related to governmental activities increased from the prior year, by $1,654,222 (or 6%) to $28,273,604. The increase is due to:
  - Market-based compensation adjustment for all employees,
  - Modification of officer pay structure within the Police Department and Fire Department,
  - Increased healthcare costs, and
  - Increased pension expense directly related to the Firefighter Relief and Retirement Fund.

PROGRAM REVENUES AND EXPENSES – GOVERNMENTAL ACTIVITIES



REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES
(OTHER THAN PROGRAM REVENUES)



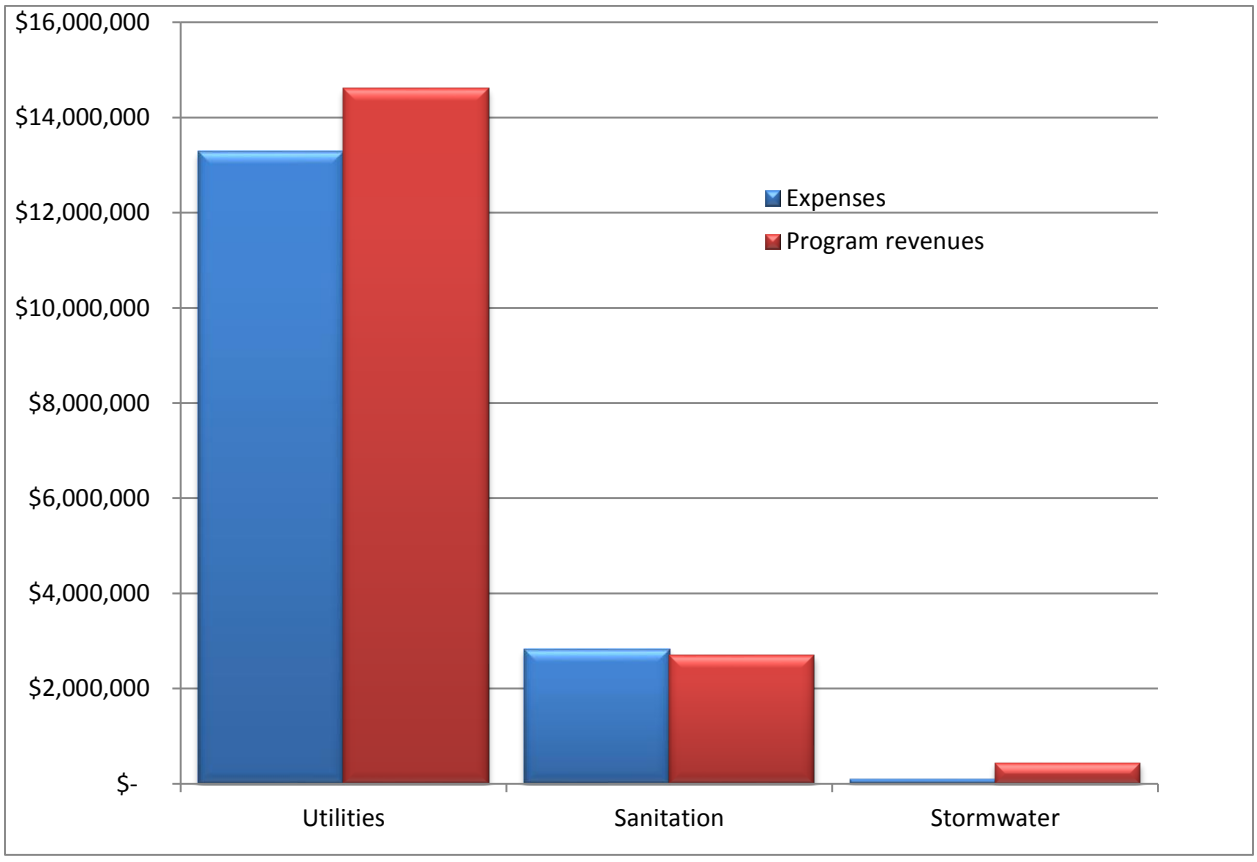
Business-type Activities:

- Net position from business-type activities increased $3,077,474 after transfers, to $64,899,503.
- Revenues related to business-type activities decreased by $465,751 (-3%) in FY2015, due primarily to a decrease in wastewater treatment revenues.
    - As the rate structure remained unchanged from the prior year, the decrease in wastewater revenue is due to decreased water usage during the months of November, December, and January, (the "winter averaging" months.) A "wet winter" (or increased conservation) during these months can affect revenues during the second half of the year, as rates are calculated and reset on March 1.
    - Sanitation and storm water revenues (the third and fourth major revenue streams considered "business-type") remained essentially unchanged from the prior year.

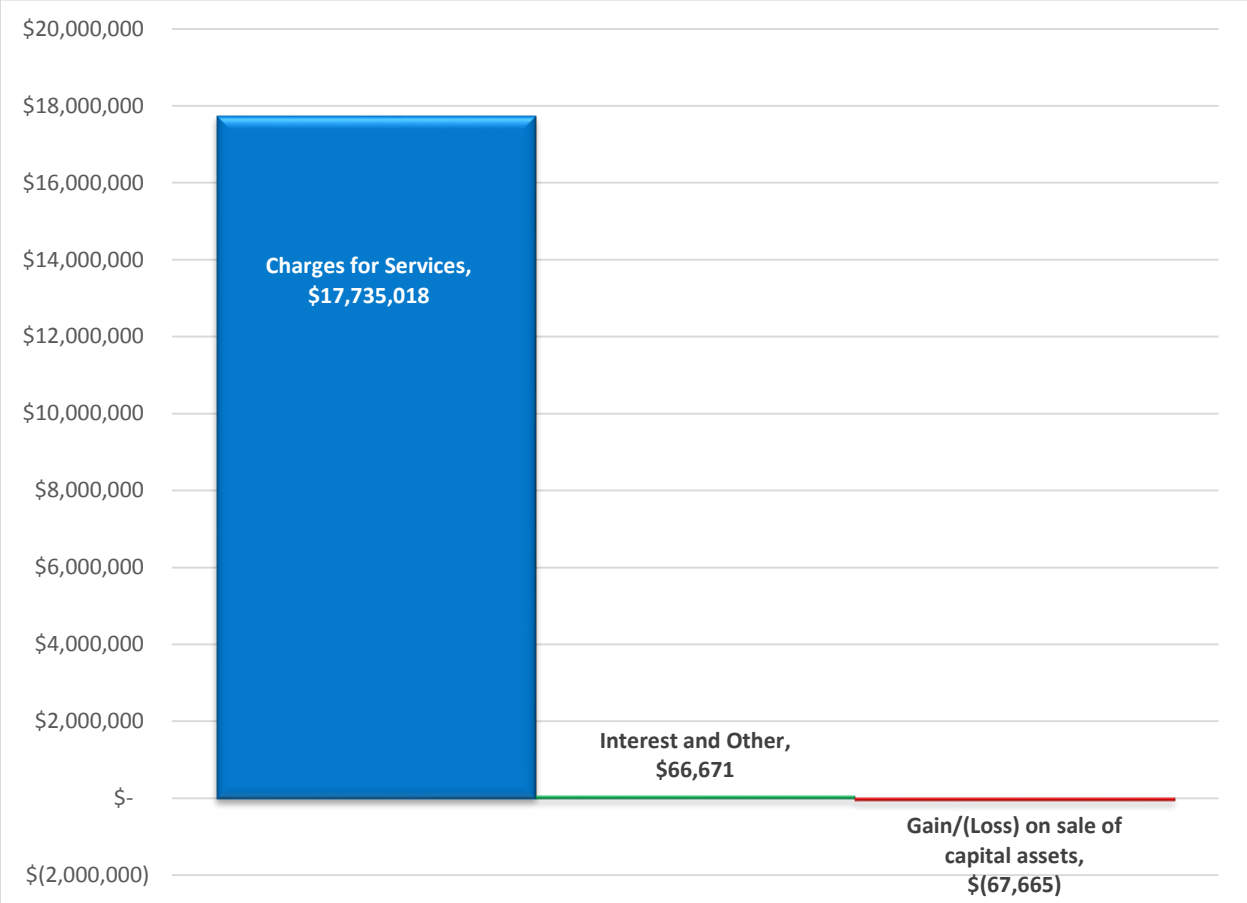
- Expenses for business-type activities decreased by $367,435 in FY2015, due to the following two drivers:

- The rate per 1,000 gallons of treated water paid by the City decreased from $2.3310 to $2.3051 (1.1%). Combined with continued reductions in usage, the cost of treated water declined $200,470 (4.3%) in FY2015.
- Complementing the decrease in the cost of treated water, the cost of taking that water away decreased $268,893 (10.4%), to $2,317,186 from $2,586,079 the year before. This is due to the decrease in the monthly fee from $215,507 per month in fiscal 2014 to $193,099 in FY2015. Similar to the City's own billing practices, monthly wastewater processing charges are based on winter average consumption (December, January, February and March) adjusted for inflow and infiltration, and then multiplied by a volume rate.
- Similar to the revenue side, sanitation and storm water expenses were essentially unchanged from the prior year, decreasing by less than 1.5% in the aggregate.

PROGRAM REVENUES AND EXPENSES – BUSINESS-TYPE ACTIVITIES



REVENUES BY SOURCE – BUSINESS-TYPE ACTIVITIES



Financial Analysis of Governmental Funds

As noted earlier, the City of University Park uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. The City's financial statements are presented in conformity with GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement changed the presentation of the fund balance section of governmental funds. Instead of classifying amounts as reserved, unreserved, designated or undesignated, the fund balance section uses the following categories:

- *Nonspendable fund balance*—amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).
- *Restricted fund balance*—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

- *Committed fund balance*—amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- *Assigned fund balance*—an amount a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- *Unassigned fund balance*—amounts that are available for any purpose; these amounts are reported only in the general fund.

In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Council.

As of the end of FY2015, the City's governmental funds reported combined ending fund balances of $40,656,740, an increase $877,302 compared to the prior year. Of the total, $576,174 is not spendable, as it represents fuel and supplies inventories,

The $20,750,202 reported as "Committed" is governed by resolutions the City Council approved in 2009. Committed funds cannot be expended without further action by the City Council.

The $12,811,339 of "Assigned" funds represents year-end encumbrances (open purchase orders) among the several governmental functions/activities, as well as money intended for capital projects or derived from special revenue sources.

Finally, the "Unassigned" balance of $6,519,025 (all of which resides within the General Fund) meets and exceeds the City's stated fund balance policy minimum, which is equal to 30 days of budgeted operating expenditures ($2,427,210 for FY2015).

Proprietary Funds. The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. The total net position of the Water and Sewer Fund at the end of the year amounted to $54,975,159, while the Sanitation and Storm water Funds totaled $2,069,308 and $1,122,094, respectively. Prior to transfer activity, the Water and Sewer and Storm water funds had income of $1,271,724 and $343,201, respectively, while the Sanitation fund had a loss of $50,099. The loss in the Sanitation fund will be addressed through a rate increase in fiscal 2016 and 2017.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year, there was no need for any significant amendments to increase either the original estimated revenues or budgeted appropriations. As a matter of longstanding practice, the first amendment of the fiscal year brings forward open encumbrances (purchase orders) from the previous fiscal year. By adding the amount of the encumbered items to the current year adopted budget, purchases may be completed without exceeding the current approved budget. Consequently, purchase orders open at the end of the current year are carried over to the next fiscal year. The total carried forward from fiscal 2014 was $719,821, while the total that will be carried forward to fiscal 2016 is $344,262.

Additional amendments were made during the year to transfer funds from the General Fund to both the Capital Projects Fund and the Water and Sewer Fund, in the amount of $14,020 and $1,193,809, respectively.

Final budget compared to actual results. The revenue totals in six general fund income categories varied more than $125,000 from the final budget:

- Property taxes finished the year at $17,043,636, or 99% of budget. The shortfall of $229,128 was split 2-to-1 between collections on current taxes and those on delinquent taxes (including associated penalties and interest). Traditionally, the City has collected at least 98% of current year property taxes in the year of assessment.
- Sales tax ended the year at $4,229,485, $609,485 (17%) over budget, due in large part to a conservative fiscal budgeting policy. However, in recognition of continuing robust collections, budgeted values have been increased by $440,000 for fiscal 2016.
- Permit and license revenue exceeded budget by $770,390 (50%), due to a higher overall level of construction activity within the city as well as significant projects undertaken by SMU (field house, sorority house, health clinic and library remodel) and the Park Cities Family YMCA (tear-down and build of new facility with underground parking garage) coupled with conservative budgeting policy. In fact, the building permit budget of $1,400,000 has remained unchanged since 2008, and is based on the historical average since that time, adjusted for large-scale, non-recurring projects.
- Due to a shortage of parking enforcement officers and the loss of red-light cameras at an intersection under construction for much of the year, Fine revenue fell $155,172 short of the budgeted $766,000 in fiscal 2015.
- Charges for services were below budget by $169,235 (9%), with 57% of the shortfall split almost evenly between Ambulance Fees and "Police Revenue". In the case of Ambulance Fees, the City has seen a steady erosion in receipts since fiscal 2010, with the fiscal 2015 results differing from fiscal 2014 by only $135. In an effort to stem further decline, the City has changed ambulance billing services, and will roll back the 2016 budget projection accordingly. Police Revenue is solely used to accept reimbursement from the Town of Highland Park for their portion of a D.A.R.E and School Resource Officer. Due to a timing issue, that revenue was not received in time to be entered into revenue during the fiscal year.
- "Other" revenue ended the year at $1,700,992, which is $733,992 (76%) above budget. As noted in prior years, the "Other" revenue category is highly variable from year to year. In fiscal 2015, a significant ($648,000) contribution from the DCPCMUD accounted for nearly all the positive performance.
- No programs within the General Fund had a negative variance to budget. However, the following individual departments did overspend their budget, but were offset by other departments within the same program:
    - Library - $19,936 over budget, General Government
    - Engineering - $35,896 over budget, Public Works
    - Fire - $105,432 over budget, Public Safety
    - Pool - $5,108 over budget, Parks.

Pensions and Retiree Health Care

Pensions and retiree health care continue to receive negative attention from the media as governments of all sizes struggle to fund their commitments. The City of University Park is committed to providing programs in these areas that are fair to both the employees and taxpayers, and are sustainable over the long term.

Effective for fiscal year 2015, Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" created specific reporting requirements for pensions that are different than that used for funding purposes. Both valuations are important as the reporting valuation provides a rigorous standard measure that can be used to compare the City's pension liabilities to other governments from around the nation. The funding valuation is important as the actuarial methods used (including strategies for repaying any unfunded actuarial accrued liabilities) combined with the City's history of making those contributions provides insights regarding the cities commitment to the effectiveness of its funding strategy. Information contained in the financial statements themselves including the first schedule of Required Supplementary Information (RSI), Schedule of Changes in Net Pension Liability and Related Ratios, is based on the reporting valuation. The second schedule in the RSI, Schedule of Contributions, is based on the funding valuation.

On a reporting basis, the City's financial statements reflect a net pension asset for TMRS as of September 30, 2015 of $4,403,155, which is (29.71%) of the City's annual covered non-firefighter payroll of $14,819,603.

On a reporting basis, the City's financial statements reflect a net pension liability for the FRRF as of September 30, 2015 of $11,332,406, which is 330.68% of the City's annual covered firefighter payroll of $3,427,043.

Retiree health care's actuarially accrued liability has been calculated in accordance with GASB Statement No. 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", to be $615,743 as of December 31, 2014, an increase of $45,432 from the previous biennial valuation. As the City follows a "pay-as-you-go" (PAYGO) funding model, this amount will likely remain in a range of 3 to 5% of covered payroll due to the limited benefit period offered to retirees. The Net Pension Obligation at September 30, 2015 is $243,554, a decrease of $59,525 from the prior year.

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of September 30, 2015, amounts to $120,289,846 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress, as illustrated in the following table:

CITY OF UNIVERSITY PARK - Capital Assets
(net of depreciation)

	Governmental activities		Business-type activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	$ 7,041,359	$ 7,041,359	$ 108,758	$ 108,758	$ 7,150,117	$ 7,150,117
Construction in progress	2,095,696	2,363,299	5,111,568	4,559,013	7,207,264	6,922,312
Buildings	13,183,887	13,624,810	-	-	13,183,887	13,624,810
Improvements	28,031,176	26,638,247	48,495,674	48,391,556	76,526,850	75,029,803
Equipment	7,121,103	7,443,712	130,733	159,449	7,251,836	7,603,161
Infrastructure	8,969,892	9,291,676	-	-	8,969,892	9,291,676
Total Capital Assets	$ 66,443,113	$ 66,403,103	$ 53,846,733	$ 53,218,776	$120,289,846	$119,621,879

Capital assets (net of construction-in-progress and depreciation) related to governmental activities increased by $40,010. Significant projects completed during the year include paving on Boedeker and University Boulevard ($1,809,923), renovation of Burleson Park ($565,287) and the Smith Park Playground ($198,106).

Business-type capital assets (also net of construction-in-progress and depreciation) increased $627,957 in fiscal 2015. Three projects were completed during FY2015. They are the Hillcrest water line ($1,123,722), the mile-per-year project at McFarlin/Shannon (508,211) and drainage improvements at Caruth Park ($367,353).

Additional detailed information on the City's capital assets (including information related to capital project spending, additions and retirements) can be found in Note III. E., in the Notes to Financial Statements section of this report.

Long-term Debt. The City of University Park had no debt. The City has no plans to issue new debt.

Economic Factors and Next Year's Budgets and Rates

The following economic factors currently affect the City of University Park and were considered in developing the fiscal 2016 budget:

- The total certified value of the City's taxable base increased by 7.6% during calendar 2015, due to the continued appreciation in home values since 2012. This is the same rate of increase as the previous year. Before applicable exemptions, single-family home market values increased 7.9% from an average appraised value of $1,251,237 in calendar 2014 to $1,350,219 in calendar 2015 (the basis used to budget fiscal 2016 property tax revenues).
- University Park offers a 20% homestead exemption and an additional 25% "Over-65 and Disabled" exemption to qualifying residents. The additional exemption approximates 25% of the prior calendar year market value of the average single-family home in the City, and amounted to $313,000 for FY2016.
- In conjunction with the increase in property values in calendar 2015, the fiscal 2016 tax rate decreased from $0.26979 to $0.25893. Early indications suggest property values will continue to rise throughout calendar 2016.

- While the strong local economy enhances property values, it also has positive effects on sales tax revenues. These revenues are expected to climb in FY2016, resulting in a $440,000 increase to the sales tax budget.

In preparing its fiscal year 2016 budget, City officials once again looked for ways to avoid significant new expenditures. Although a 3% pay raise was included in the budget, there were no new positions proposed or authorized. Capital projects funding was increased another 3% in FY2016 in recognition of the higher costs of materials and labor in the DFW market. Funding for the future replacement of fleet vehicles was strengthened in FY2016, by incrementally increasing fund transfers. Finally, the City continues to explore options for a fiscally sound and sustainable path forward for the Firefighters Relief and Retirement Fund, a traditional, defined-benefit pension plan. In order to encourage continued cooperation towards a mutually acceptable goal, the City "picked" up 2% of the FY2016 contribution percentage that would have otherwise been paid by the firefighters.

Requests for Information

This financial report is designed to provide a general overview of the City of University Park's finances for all those with an interest in the government's finances. Readers having questions about any of the information in this report or needing additional information should contact Civic Yip, Controller, City of University Park, 3800 University Blvd., University Park, TX 75205, call 214-987-5310, or email cyip@uptexas.org.

BASIC FINANCIAL STATEMENTS

CITY OF UNIVERSITY PARK, TEXAS
Statement of Net Position

September 30, 2015

	Primary Government		
	Governmental Activities	Business type Activities	Total
ASSETS			
Cash and cash equivalents	$ 21,877,337	$ 1,846,284	$ 23,723,621
Investments	32,084,603	-	32,084,603
Receivables	1,988,287	2,911,746	4,900,033
Prepaids	-	526,797	526,797
Internal balances	(6,635,449)	6,635,449	-
Inventory	576,174	-	576,174
Restricted cash	-	399,441	399,441
Net pension asset - TMRS	3,413,766	989,389	4,403,155
Capital assets			
Land	7,041,359	108,758	7,150,117
Construction in progress	2,095,696	5,111,568	7,207,264
Buildings	17,498,780	54,594	17,553,374
Improvements other than buildings	37,987,307	85,210,207	123,197,514
Machinery and equipment	16,653,825	409,446	17,063,271
Infrastructure	12,870,590	-	12,870,590
Accumulated depreciation	(27,704,444)	(37,047,840)	(64,752,284)
Total assets	119,747,831	67,155,839	186,903,670
DEFERRED OUTFLOWS OF RESOURCES			
Pension contributions and investment experience	1,987,757	341,895	2,329,652
LIABILITIES			
Accounts payable	1,073,471	362,378	1,435,849
Accrued liabilities	1,085,611	612,401	1,698,012
Customer deposits/other	70,828	399,441	470,269
Unearned revenue	-	506,797	506,797
Net pension liability - FRRF	11,332,406	-	11,332,406
Net OPEB obligation	243,554	-	243,554
Compensated absences:			
Due within one year	970,351	247,189	1,217,540
Due beyond one year	1,426,561	372,807	1,799,368
Total liabilities	16,202,782	2,501,013	18,703,795
DEFERRED INFLOWS OF RESOURCES			
Pension actual experience	335,439	97,218	432,657
NET POSITION			
Investment in capital assets	66,443,113	53,846,733	120,289,846
Restricted to:			
General Government	52,624	-	52,624
Public Safety	129,769	-	129,769
Parks	46,804	-	46,804
Unrestricted	38,525,057	11,052,770	49,577,827
Total net position	$ 105,197,367	$ 64,899,503	$ 170,096,870

The notes to the financial statements are an integral part of this statement.

CITY OF UNIVERSITY PARK, TEXAS
Statement of Activities

For the Year Ended September 30, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Business type Activities	Total
Primary government:					
Governmental activities:					
General Government	$ 5,577,596	$ 64,946	$ (5,512,650)	$ -	$ (5,512,650)
Public Safety	13,866,937	2,086,722	(11,780,215)	-	(11,780,215)
Streets	2,153,362	-	(2,153,362)	-	(2,153,362)
Parks	3,701,838	312,541	(3,389,297)	-	(3,389,297)
Public Works	2,973,871	2,196,979	(776,892)	-	(776,892)
Total governmental activities	28,273,604	4,661,188	(23,612,416)	-	(23,612,416)
Business type activities:					
Utilities	13,293,943	14,606,621	-	1,312,678	1,312,678
Sanitation	2,826,506	2,692,834	-	(133,672)	(133,672)
Stormwater	92,646	435,563	-	342,917	342,917
Total business type activities	16,213,095	17,735,018	-	1,521,923	1,521,923
Total primary government	$ 44,486,699	$ 22,396,206	(23,612,416)	1,521,923	(22,090,493)
General revenues:					
Property tax			16,971,682	-	16,971,682
Sales tax			4,229,485	-	4,229,485
Franchise taxes			2,228,552	-	2,228,552
Interest			287,428	2,230	289,658
Other			1,683,344	64,441	1,747,785
Donations not restricted to specific programs			84,614	-	84,614
Loss on sale of capital assets			-	(67,665)	(67,665)
Transfers			(1,556,545)	1,556,545	-
Total general revenues and transfers			23,928,560	1,555,551	25,484,111
Changes in net position			316,144	3,077,474	3,393,618
Net position - beginning as restated			104,881,223	61,822,029	166,703,252
Net position - ending			$105,197,367	$64,899,503	$170,096,870

The notes to the financial statements are an integral part of this statement.

CITY OF UNIVERSITY PARK, TEXAS
Balance Sheet
Governmental Funds

September 30, 2015

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 12,969,794	$ 7,310,438	$ 85,211	$ 20,365,443
Investments	30,085,331	1,999,272	-	32,084,603
Receivables:				
Ad valorem tax	193,043	-	-	193,043
Sales tax	773,406	-	-	773,406
Franchise fees	504,315	-	-	504,315
Accrued interest	51,035	2,264	-	53,299
Other, net	457,723	-	1,500	459,223
Due from other funds	4,261,867	3,281,863	142,736	7,686,466
Inventory	576,175	-	-	576,175
Total assets	$ 49,872,689	$ 12,593,837	$ 229,447	$ 62,695,973
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 734,878	$ 248,960	$ 250	$ 984,088
Accrued liabilities	863,781	50,134	-	913,915
Customer deposits/other	70,828	-	-	70,828
Due to other funds	19,677,732	19,524	-	19,697,256
Total liabilities	21,347,219	318,618	250	21,666,087
Deferred Inflows of Resources:				
Unavailable revenue	373,146	-	-	373,146
Total deferred inflows of resources	373,146	-	-	373,146
Fund Balances:				
Nonspendable	576,174	-	-	576,174
Spendable				
Restricted to:				
General Government	-	-	52,624	52,624
Public Safety	-	-	129,769	129,769
Parks	-	-	46,804	46,804
Committed to:				
SMU land sale	15,875,202	-	-	15,875,202
Emergency expenditures	2,500,000	-	-	2,500,000
SMU PILOT	2,375,000	-	-	2,375,000
Assigned to:				
General Government	100,461	12,275,219	-	12,375,680
Public Works	8,985	-	-	8,985
Public Safety	34,367	-	-	34,367
Parks	70,110	-	-	70,110
Streets	93,000	-	-	93,000
Unassigned	6,519,025	-	-	6,519,025
Total fund balances	28,152,324	12,275,219	229,197	40,656,740
Total liabilities, deferred inflows of resources and fund balances	$ 49,872,689	$ 12,593,837	$ 229,447	$ 62,695,973

The notes to the financial statements are an integral part of this statement.

CITY OF UNIVERSITY PARK, TEXAS

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position

September 30, 2015

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds	$ 40,656,740
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	61,881,278
Certain receivables will be collected this year, but are not available to pay for the current period's expenditures and are, therefore, unavailable in the funds.	373,146
This amount is the net pension asset (TMRS) recorded at the government-wide level, not recorded in any governmental funds.	3,220,908
This amount is the net other post-employment benefits obligation (OPEB) recorded at the government-wide level, not recorded in the funds.	(243,554)
This amount is the net pension liability (FRRF) recorded at the government-wide level, not recorded in the funds.	(11,332,406)
This amount is the net deferred inflow/outflow recorded at the government-wide level, not recorded in the funds.	1,604,624
The long-term portion of compensated absences is not due and payable in the current period and therefore is not reported in the funds.	(2,108,980)
Internal service funds are used by management to charge the costs of various services to individual funds. The governmental portion of the assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	11,145,611
Total net position - governmental activities	$ 105,197,367

The notes to the financial statements are an integral part of this statement.

CITY OF UNIVERSITY PARK, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds

For the Year Ended September 30, 2015

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property tax	$ 17,043,636	$ -	$ -	$ 17,043,636
Sales tax	4,229,485	-	-	4,229,485
Franchise fees	2,228,552	-	-	2,228,552
Permits and licenses	2,309,390	-	-	2,309,390
Fines	610,828	-	22,255	633,083
Charges for services	1,738,025	-	-	1,738,025
Other	1,700,992	-	1,892	1,702,884
Investment income	250,283	37,102	43	287,428
Donations	-	-	84,614	84,614
Total revenues	30,111,191	37,102	108,804	30,257,097
EXPENDITURES				
Current:				
General Government	4,162,285	116	33,368	4,195,769
Public Safety	12,744,614	-	27,703	12,772,317
Streets	1,998,240	-	-	1,998,240
Parks	3,199,072	-	26,486	3,225,558
Public Works	2,847,099	-	-	2,847,099
Capital Outlays	-	2,784,267	-	2,784,267
Total expenditures	24,951,310	2,784,383	87,557	27,823,250
Excess (deficiency) of revenues over (under) expenditures	5,159,881	(2,747,281)	21,247	2,433,847
OTHER FINANCING SOURCES (USES)				
Transfers in	-	2,774,428	-	2,774,428
Transfers out	(4,330,973)	-	-	(4,330,973)
Total other financing sources (uses)	(4,330,973)	2,774,428	-	(1,556,545)
Net change in fund balances	828,908	27,147	21,247	877,302
Fund balances - beginning	27,323,416	12,248,072	207,950	39,779,438
Fund balances - ending	$ 28,152,324	$ 12,275,219	$ 229,197	$ 40,656,740

The notes to the financial statements are an integral part of this statement.

CITY OF UNIVERSITY PARK, TEXAS

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended September 30, 2015

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds		$ 877,302
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period, exclusive of the capital asset activity of internal service funds.		
Capital expenditures	2,784,267	
Depreciation expense	(2,733,240)	
		51,027
Revenues in the statement of activities that do not provide current financial resources are not reported as expenditures in the funds.		(91,263)
This amount is the net effect from the sales of capital assets at the government-wide level, not recorded in the funds.		(19,541)
This amount is the net of actual TMRS pension contribution excess required contribution recorded at the government-wide level, not recorded in the funds.		383,010
This amount is the net other post-employment benefits obligation recorded at the government-wide level, not recorded in the funds.		59,525
This amount is the net FRRF pension expense recorded at the government-wide level, not recorded in the funds.		(722,246)
This amount is the change in the long-term portion of compensated absences, and as such, it is not reported in the funds.		(55,208)
Internal service funds are used by management to charge the costs of vehicle service, repair and replacement and various insurance services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		(166,462)
Change in net position of governmental activities		$ 316,144

The notes to the financial statements are an integral part of this statement.

CITY OF UNIVERSITY PARK, TEXAS
Statement of Net Position
Proprietary Funds

September 30, 2015

	Business type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water and Sewer	Sanitation	Nonmajor enterprise fund - Stormwater	Total	
ASSETS					
Current assets					
Cash and cash equivalents	$ 1,396,000	$ -	$ 450,284	$ 1,846,284	$ 1,511,894
Investments	-	-	-	-	-
Receivables (net of allowance)	2,476,269	374,558	60,919	2,911,746	5,000
Due from other funds	4,949,849	4,279,233	622,777	9,851,859	14,160,444
Prepaids	-	45,808	-	45,808	-
Total current assets	8,822,118	4,699,599	1,133,980	14,655,697	15,677,338
Non-current assets					
Prepaids	-	480,989	-	480,989	-
Restricted cash	399,441	-	-	399,441	-
Pension -- TMRS	561,842	427,547	-	989,389	192,858
Capital assets:					
Land	108,758	-	-	108,758	-
Buildings	54,594	-	-	54,594	-
Improvements other than buildings	85,210,207	-	-	85,210,207	-
Machinery and equipment	190,109	219,337	-	409,446	10,513,571
Construction in progress	5,111,568	-	-	5,111,568	-
Less accumulated depreciation	(36,938,149)	(109,691)	-	(37,047,840)	(5,951,736)
Total capital assets (net of accumulated depreciation)	53,737,087	109,646	-	53,846,733	4,561,835
Total non-current assets	54,698,370	1,018,182	-	55,716,552	4,754,693
Total assets	63,520,488	5,717,781	1,133,980	70,372,249	20,432,031
DEFERRED OUTFLOW OF RESOURCES					
Pension contributions and Investment experience	194,152	147,743	-	341,895	66,644
Total deferred outflow of resources	194,152	147,743	-	341,895	66,644
LIABILITIES					
Current liabilities					
Accounts payable	328,027	22,469	11,882	362,378	89,383
Accrued liabilities	518,884	93,513	4	612,401	321,822
Unearned revenue	-	45,808	-	45,808	-
Accrued compensated absences	150,605	96,584	-	247,189	59,548
Due to other funds	7,061,909	2,887,443	-	9,949,352	2,052,161
Total current liabilities	8,059,425	3,145,817	11,886	11,217,128	2,522,914
Non-current liabilities					
Unearned revenue	-	460,989	-	460,989	-
Customer deposits - payable from restricted cash	399,441	-	-	399,441	-
Accrued compensated absences	225,408	147,399	-	372,807	78,258
Total non-current liabilities	624,849	608,388	-	1,233,237	78,258
Total liabilities	8,684,274	3,754,205	11,886	12,450,365	2,601,172
DEFERRED INFLOW OF RESOURCES					
Pension actual experience	55,207	42,011	-	97,218	18,950
Total deferred outflow of resources	55,207	42,011	-	97,218	18,950
NET POSITION					
Investment in capital assets	53,737,087	109,646	-	53,846,733	4,561,835
Unrestricted	1,238,072	1,959,662	1,122,094	4,319,828	13,316,718
Total net position	$ 54,975,159	$ 2,069,308	$ 1,122,094	58,166,561	$ 17,878,553
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				6,732,942	
Net position of business type activities				$ 64,899,503	

The notes to the financial statements are an integral part of this statement.

CITY OF UNIVERSITY PARK, TEXAS
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds

For the Year Ended September 30, 2015

	Business type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water and Sewer	Sanitation	Nonmajor enterprise fund - Stormwater	Total	
Operating revenues					
Charges for sales and services:					
Water sales	$ 9,294,727	$ -	$ -	$9,294,727	$ -
Sewer	5,311,894	-	-	5,311,894	-
Refuse collection	-	2,385,434	-	2,385,434	-
Recycling	-	307,400	-	307,400	-
Stormwater	-	-	435,563	435,563	-
Charges for service	-	-	-	-	1,676,145
Premiums	-	-	-	-	3,619,695
Other revenue	601	63,841	-	64,442	10,071
Total operating revenues	14,607,222	2,756,675	435,563	17,799,460	5,305,911
Operating expenses					
Personnel services	2,536,433	1,981,100	-	4,517,533	859,744
Contractual and other services	7,955,869	693,750	90,784	8,740,403	231,818
Depreciation	1,857,433	4,750	-	1,862,183	752,568
Supplies and other	259,904	127,314	1,862	389,080	19,255
Administrative and fiscal services	660,000	-	-	660,000	761,980
Claims paid and change in estimate	-	-	-	-	3,001,886
Total operating expenses	13,269,639	2,806,914	92,646	16,169,199	5,627,251
Operating income (loss)	1,337,583	(50,239)	342,917	1,630,261	(321,340)
Nonoperating revenues					
Investment income	1,806	140	284	2,230	17,120
Loss on sale of capital assets	(67,665)	-	-	(67,665)	93,862
Income (loss) before transfers	1,271,724	(50,099)	343,201	1,564,826	(210,358)
Tranfers					
Transfers from other funds	1,556,545	-	-	1,556,545	-
Transfers to other funds	-	-	-	-	-
Total transfers	1,556,545	-	-	1,556,545	-
Change in net position	2,828,269	(50,099)	343,201	3,121,371	(210,358)
Total net position - Beginning as restated	52,146,890	2,119,407	778,893		18,088,911
Total net position - Ending	$54,975,159	$2,069,308	$ 1,122,094		$ 17,878,553
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(43,897)	
Change in net position of business type activities				$3,077,474	

The notes to the financial statements are an integral part of this statement.

CITY OF UNIVERSITY PARK, TEXAS
Statement of Cash Flows
Proprietary Funds

For the Year ended September 30, 2015

	Business type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water and Sewer	Sanitation	Nonmajor enterprise fund - Stormwater	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	$14,371,105	$ 2,764,013	$ 437,839	$17,572,957	$ 5,311,150
Payments from other funds	-	-	-	-	-
Payments to other funds	(1,051,423)	(306,989)	(328,649)	(1,687,061)	(1,493,142)
Payments to suppliers	(9,076,949)	(833,504)	(109,190)	(10,019,643)	(4,063,460)
Payments to employees	(2,515,956)	(2,004,430)	-	(4,520,386)	(874,994)
Net cash provided by (used in) operating activities	1,726,777	(380,910)	-	1,345,867	(1,120,446)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(2,557,805)	-	-	(2,557,805)	(761,092)
Transfers from other funds	1,556,545	-	-	1,556,545	-
Proceeds from sale of capital assets	-	-	-	-	93,862
Net cash provided by (used in) capital and related financing activities	(1,001,260)	-	-	(1,001,260)	(667,230)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from the sale and maturities of investment securities	-	-	-	-	2,168,666
Interest on investments	1,806	140	284	2,230	11,245
Net cash provided by investing activities	1,806	140	284	2,230	2,179,911
Net increase (decrease) in cash and cash equivalents	727,323	(380,770)	284	346,837	392,235
Cash and cash equivalents (included $381,861 restricted cash), beginning of year	1,068,118	380,770	450,000	1,898,888	1,119,659
Cash and cash equivalents (included $399,441 restricted cash), end of year	$ 1,795,441	$ -	$ 450,284	$ 2,245,725	$ 1,511,894
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	$ 1,337,583	$ (50,239)	$ 342,917	$ 1,630,261	$ (321,340)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation expense	1,857,433	4,750	-	1,862,183	752,568
Increase in due from other funds	(772,700)	(380,713)	(300,758)	(1,454,171)	(1,503,157)
Increase in pension and deferred outflow	(66,810)	(50,841)	-	(117,651)	(22,933)
(Increase) decrease in accounts receivable	(253,697)	7,338	2,276	(244,083)	-
Decrease in prepaid expenses	-	45,808	-	45,808	-
Decrease in interest receivable	-	-	-	-	5,239
Increase (decrease) in accrued liabilities	(96,309)	15,071	(16,544)	(97,782)	(40,838)
Decrease in unearned gain	-	(45,808)	-	(45,808)	-
Increase (decrease) in due to other funds	(278,723)	73,724	(27,891)	(232,890)	10,015
Total adjustments	389,194	(330,671)	(342,917)	(284,394)	(799,106)
Net cash provided by (used in) operating activities	$ 1,726,777	$ (380,910)	$ -	$ 1,345,867	$ (1,120,446)
NON-CASH INVESTING ACTIVITIES					
Change in the fair value of investments	$ -	$ -	$ -	$ -	$ 5,875

The notes to the financial statements are an integral part of this statement.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the City of University Park ("the City") relating to the funds included in the accompanying financial statements conform to the generally accepted accounting principles in the United States of America applicable to local governments. The following represent the more significant accounting and reporting policies and practices used by the City.

A. Reporting entity

The City was incorporated April 17, 1924, to operate as a general law city. Until 1989, a three-member Board of Commissioners served as the elected governing body. On November 9, 1989, University Park voters approved a Home Rule Charter, and the governing body for the City became the five-member City Council. The City is regulated by the Code of State Statutes of the State of Texas and is authorized to perform the following services: public safety (police and fire), public works, planning, building inspection, sanitation, water and sewer utilities, and general administrative services.

The accompanying financial statements present the government and its component units, entities for which the government is considered financially accountable. The blended component unit, although a legally separate entity, is in substance part of the government's operations. See note below for description to emphasize that it is legally separate from the government.

Blended component unit. The University Park Civic Foundation, Inc. ("the Foundation") is a tax-exempt, non-profit corporation established in 1987 to promote public safety as well as charitable, scientific, literary and educational activities. The Foundation was created to make monetary contributions to the City for the general public purpose of assisting the City in undertaking any lawful civic endeavor. Although the Foundation's Board of Directors appoints its own successors, by practice the Board has always been comprised of three University Park City Council members. The City's Director of Finance also serves as the Foundation's Assistant Secretary/Assistant Treasurer. The Foundation is reported as a special revenue fund in the City's financial statements and does not issue separate audited financial statements.

Discretely presented component units. Created with assistance from the City in 1985, the Texas Higher Education Authority, Inc. ("THEA") provides low-interest construction loans to private higher education institutions. The City Council appoints all Board members of THEA, and may remove them at will. Upon dissolution, THEA's net worth will revert to the City. THEA's operating and capital expenditures, including debt service, were financed entirely by its bond issues. Subsequent to the mandatory redemption of all outstanding bonds in December of 2003, substantially all of THEA's remaining net worth was transferred to the City. THEA is reported as an enterprise fund and has a December 31, fiscal year-end. THEA is comprised of a single fund, and separate financial statements are not prepared. In accordance with the resolution of the Board, all fund balances in THEA were transferred to the City during fiscal year 2013. Although THEA has not been dissolved, there were no transactions during fiscal year 2015. Therefore, this component unit will not be presented in the City's fiscal year 2015 financial statements.

A second discretely presented component unit, the Southwest Higher Education Authority, Inc. ("SWHEA"), issues tax-exempt debt solely for the benefit of Southern Methodist University. Sponsored by the City, SWHEA was incorporated in 1983. The City Council appoints all Board members of SWHEA and may remove them at will. SWHEA pays the City a fee of $15,000 for each bond issuance up to $50 million, a fee of $20,000 for an issue from $50 to $100 million, and a fee of $25,000 for an issue over $100 million. As of September 30, 2015, SWHEA had issued five series of bonds with an aggregate outstanding principal amount payable of $511,320,000. These bonds are considered conduit debt of SWHEA and are reported in the financial statements of Southern Methodist University. SWHEA is reported as an enterprise fund and has a December 31 fiscal year-end. SWHEA is comprised of a single fund, and separate financial statements of SWHEA are not prepared. In accordance with the resolution of the Board, all fund balances in SWHEA were transferred to the City during fiscal year 2013. Although SWHEA has not been dissolved, there were no transactions during fiscal year 2015. Therefore, this component unit will not be presented in the City's fiscal year 2015 financial statements.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information of all of the non-fiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges form support. Likewise, the primary government is reported separately from the discretely presented component units from which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, fees, interest and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statements presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of

related cash flows. Ad valorem taxes are recognized as revenues in the year for which they are levied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences, claims, and judgments are recorded only when payment is due.

Ad valorem taxes, sales taxes, franchise fees, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

General Fund – Accounts for the ordinary operations of the City financed from taxes and other general revenues. It is used to account for all financial resources except those required to be accounted for in another fund by law or contractual agreement.

Capital Projects Fund – Accounts for the acquisition of capital assets or the construction of major capital projects not being financed by proprietary funds.

The City reports the following major and non-major proprietary funds:

Water and Sewer Fund – Accounts for the provision of water and sewer services to the residents of the City.

Sanitation Fund – Accounts for the provision of sanitation services to the residents of the City.

Stormwater Fund – Accounts for the provision of stormwater services to the residents of the City.

The City reports the following additional funds:

Nonmajor governmental funds:

University Park Civic Foundation – Accounts for the proceeds of donations to and activities of the University Park Civic Foundation.

Court Security – Accounts for the collection and use of the Municipal Court security fee charged to defendants in accordance with state law.

Court Technology – Accounts for the collection and use of the Municipal Court technology fee charged to defendants in accordance with state law.

Police Training and Education – Accounts for the use of monies received for police training and education purposes.

Police Forfeiture – Accounts for awards of monies by the courts to the Police Department. The administration of this fund is legally restricted to the police and the resources are to be used for police activities.

Fire Training and Education – Accounts for the use of monies received for the Fire Department training and education.

Library – Accounts for the use of monies received for the City library.

Parks Projects and Programs – Accounts for the use of monies received for the City park projects and programs.

Internal service funds:

Equipment Services Fund – Accounts for the costs associated with the acquisition and maintenance of specific equipment through the rental of it to other departments.

Comprehensive Self-Insurance Fund – Accounts for the costs associated with the general liability, property and casualty, workers' compensation, and employee health self-insurance program established by the City.

As a general rule, the effect of interfund activities has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's business type functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues generally include charges to customers or applicants for goods, services, or privileges provided. Franchise fees, interest earnings and donations are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods or services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the government's water and sewer, sanitation and stormwater enterprise funds and of the equipment service and self-insurance internal service funds are charges to customers for sales or services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental fund balances are presented in accordance with Governmental Accounting Standards Board (GASB) Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54, are Nonspendable, Restricted, Committed, Assigned and Unassigned. These classifications reflect not only the nature of the funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is the residual classification within the General Fund. The General Fund should be the only fund that

reports a positive unassigned fund balance. In all other governmental funds, an unassigned balance is limited to negative residual fund balance. For further details of the various fund balance classifications refer to Note I.D.9.

D. Assets, liabilities, and net position or fund balance

1. Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The City uses a pooled cash approach, in which only one fund (the General Fund) has a "cash" account for making investment transactions.

Obligations with maturities of one year or less when purchased are reported at their amortized cost, while investments with maturities greater than one year are reported at fair value. Nonparticipating investment contracts, generally certificates of deposit, are reported at cost. Interest income is allocated to the individual funds based on the funds' proportion of the pooled investments.

The City's investment policy permits investments in U.S. Treasury and Agency obligations, municipal securities, certificates of deposit, local government investment pools, certain money market mutual funds and repurchase agreements. The investment policy is reviewed and approved annually by the Finance Advisory Committee and the City Council and includes all City funds.

2. Receivables and payables

All outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. Trade accounts receivable over 365 days old are the basis for the trade accounts receivable allowance for uncollectible amounts.

Property taxes are levied as of October 1 on property values assessed as of the prior January 1. They are considered past due 120 days after the respective tax billing date, at which time an enforceable lien attaches.

3. Inventories and prepaid items

Inventories are valued at a weighted average cost. In accordance with the consumption method of accounting, inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

4. Restricted assets

The City classifies customer deposits in proprietary funds as restricted.

5. Interfund transactions

Reimbursements between funds are recorded as expenditures or expenses in the reimbursing fund and reductions of expenditures or expenses in the reimbursed fund. All legally authorized transfers are included in the results of operations of both governmental and proprietary funds.

The City's internal service funds – Equipment Services and Comprehensive Self-Insurance – record charges for services as operating revenues. The respective user funds record the related operating expenditures or expenses, as appropriate.

Nonrecurring or non-routine transfers of equity between funds – for example, the transfer of residual balances of discontinued funds to other funds – are accounted for as transfers.

Transactions that occur between the primary government and the component units are classified as "due to/from the primary government/component unit."

6. Capital assets

Capital assets, which include land, buildings, improvements, infrastructure (e.g., roads, bridges, sidewalks and similar items) and equipment are reported in the applicable governmental or business type activities columns in the government-wide financial statements. Capital assets are defined by the City as either assets with an individual cost of more than $5,000 or capital projects exceeding $50,000, with an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are not capitalized.

The City's capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40
Improvements	20-30
Infrastructure	40
Equipment	5-20

7. Compensated absences

It is the City policy to permit employees to accumulate certain limited vacation and sick pay benefits. The equivalent of two years of earned but unused vacation earnings may be accumulated and carried over from year to year. Any vacation leave in excess of this amount is forfeited. Upon termination in good standing, employees are paid for unused vacation.

Employees are able to accumulate unlimited sick leave while employed. However, a maximum of 90 days accumulated sick leave will be paid out upon retirement. Any unused sick leave above this amount is forfeited. A liability has been recognized for the portion of vacation and accumulated sick leave benefits estimated payable in both the following year and upon retirement for all employees. The retirement of this liability is paid from the General Fund, Proprietary Funds or Internal Service Funds based upon the assignment of the employee at termination.

8. Long-term obligations

Other than the portion of compensated absences estimated payable after September 30, 2015, there are no other long-term obligations of the City.

9. Fund balance

In accordance with GASB 54, the City classifies governmental fund balance as follows:

Nonspendable Fund Balance – Includes fund balance amounts that cannot be spent either because they are not in a spendable form, or because of legal or contractual requirements.

Spendable Fund Balance

Restricted – Includes fund balance amounts that can only be spent for the particular purpose stipulated by external resource providers either contractually, constitutionally or through enabling legislation.

Committed – Includes fund balance amounts that can only be spent for the specific purposes determined by formal action of the government's highest level of decision-making authority.

Commitments maybe modified or rescinded only by the government taking the same formal action that imposed the constraint originally. In the City of University Park, fund balance is committed by resolution of the City Council.

Assigned – Includes amounts intended to be used by the government for specific purposes. For this purpose, intent may be expressed by the governing body or by an official or body to which the governing body has delegated such authority. In accordance with the City Financial Management Policies, the City Council has authorized the City Manager to assign fund balance to a specific purpose. In practice, actions resulting in the assignment of fund balance may be taken by department directors. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned – Includes the residual positive fund balance within the General Fund and includes all amounts not contained in any of the above classifications. Unassigned fund balance is available for any valid governmental purpose and may include negative balances for any governmental fund in which expenditures exceed the amount restricted, committed or assigned for those specific purposes. In accordance with the City Financial Management Policies, "it is the goal of the City to achieve and maintain an unassigned fund balance in the General Fund equal to at least 30 days of expenditures to mitigate financial risk that can occur from unforeseen revenue fluctuations, significant unanticipated expenditures and natural disasters."

When multiple categories of fund balance are available for expenditure, the City will first spend the most restricted category of funds before spending the next most restricted category with available funds. Normally, this will result in the uses of committed, then assigned, and lastly, unassigned fund balance when expenditures are made, with the exception of the emergency reserve established by the City Council. Under normal circumstances, the City would first elect to utilize unassigned fund balance before considering the use of its emergency funds.

Although established by ordinance in 1976 and again in 1980, the City Council re-authorized the maintenance of a $2,500,000 emergency reserve during fiscal 2011 through the adoption of Resolution 11-08. The emergency reserve "shall be available for expenditure upon authorization of the City Council for emergency relief of economic or natural disaster or other urgent purpose for which the Council sees fit."

The following is an explanation of the fund balance classifications, other than those assigned, as presented on the Governmental Funds Balance Sheet:

Nonspendable Fund Balance – The portion of fund balance indicating items (such as inventory) that are not in spendable form.

Restricted Fund Balance – There are no restricted items in fund balance.

Committed Fund Balance

SMU Land Sale – Committed by City Council resolution to remain invested in the General Fund providing interest earnings until such time as recommendations for use are made by a special review committee.

Emergency Expenditures – Committed by City Council resolution for emergency expenditures. May be added as necessary to future budgets by supplemental appropriations action.

SMU PILOT (Payment In Lieu of Taxes) – Committed by City Council resolution to remain invested in perpetuity, providing interest earnings to the General Fund.

10. Pensions Benefits

For purposes of measuring the net pension asset and liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and Firemen's Relief and Retirement Fund (FRRF) and additions to/deductions from TMRS's and FRRF's fiduciary net position have been

determined on the same basis as they are reported by TMRS and FRRF. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position and/or Balance Sheet will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The deferred outflows of resources are reported in the government-wide statement of net position for governmental and business activities and the fund level for the proprietary statement of net position. The City has two items that qualify for reporting in this category. First, the City's pension plan contributions made from the measurement date of the pension plan to the current fiscal year end are deferred and will be recognized in the subsequent fiscal year. Second, the difference between projected and actual earnings on pension plan investments are deferred and recognized as pension plan expense over a closed five-year period as required by GASB 68.

In addition to liabilities, the Statement of Net Position and/or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The City has two items that qualify for reporting in this category. At the governmental fund level, revenues that have been billed but not yet collected are reported as unavailable revenues. These amounts are deferred and recognized as an inflow of resources in the period they become available to the City. A deferred inflow of resources is recognized in the government-wide statement of net position for governmental and business activities and the fund level for the proprietary statement of net position for the difference between the expected experience and the actual experience in the actuarial measurement of the total pension liability not recognized in the current year. The amount is deferred and amortized over a period of years determined by the plan actuary. The amortization period is based on the estimated average remaining service lives of employees that are provided with a pension through the pension plan (active and inactive employees) for the City determined as the beginning of the measurement date.

E. Implementation of new accounting principles

The GASB has issued the following pronouncements which became effective for the fiscal year 2015.

Statement No. 68, *Accounting and Financial Reporting for Pensions-amendment of GASB Statement No. 27* which changed the focus of pension accounting for employers from whether they are responsibly funding their plan over time to a pint-in-time liability that is reflected in the employer's financial statements for any actuarially unfunded portion of pension benefits earned to date.

The implementation of Statement No. 68 resulted in a restatement of beginning net position for the elimination of the previously reported net pension asset, the recording of the beginning net pension

liability and the beginning deferred outflow for contributions made after the measurement date. For further details of the various pension balances refer to Note IV.D

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, and applied simultaneously with the provisions of GASB No. 68. The objective of this statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The requirements of this Statement eliminates the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and non-employer contributing entities.

Applying these changes results in the adjustment below:

	Government-Wide Statement of Activities		FUND LEVEL		
			Proprietary Fund		Internal Service
	Governmental Activities	Business Activities	Water and Sewer Fund	Sanitation Fund	Equipment Services
Net Position at 09/30/14 as previously reported	$ 110,445,515	$ 60,722,185	$ 51,512,913	$ 1,636,969	$ 10,126,887
Change in reporting for net pension asset (liability)	(5,564,292)	1,099,844	633,977	482,438	217,619
Net Position as Restated 10/1/14	$ 104,881,223	$ 61,822,029	$ 52,146,890	$ 2,119,407	$ 10,344,506

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations* establishes accounting and financial reporting standards related to government combinations and disposals of government operations. There was no impact of implementation of this statement on the financial statements. The City determined there was no impact to the financial statements.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* establishes guidance for governments that extend financial guarantees for the obligations of another government, a not-for-profit entity or a private entity without directly receiving equal or approximately equal value in exchange (a non-exchange transaction). There was no impact of implementation of this statement on the City's financial statements. The City determined there was no impact to the financial statements.

The GASB has issued the following statements which will be effective in future years as described below. The impact on the City's financial statements of implementation has not yet been determined for the following:

GASB Statement No. 72, *Fair Value Measurement and Application*, which is effective for financial statements for reporting periods beginning after June 15, 2015, addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for

financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,* which is effective for fiscal years beginning after June 15, 2015 is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* is effective for fiscal years beginning after June 15, 2016. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.

GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* is effective for fiscal years beginning after June 15, 2017. The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* is effective for reporting periods beginning after June 15, 2015. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles.

GASB Statement No. 77, *Tax Abatement Disclosures* is effective for reporting periods beginning after December 15, 2015. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans* is effective for reporting periods beginning after December 15, 2015. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* is effective for reporting periods beginning after June 15, 2015, except for the provisions in paragraphs 18, 19, 23–26, and 40, which are effective for reporting periods beginning after December 15, 2015. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants.

Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes.

GASB Statement No. 80, *Blending Requirements for Certain Component Units-An Amendment of GASB Statement No. 14,* is effective for reporting periods beginning after June 15, 2016. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity*, as amended.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles in the United States of America applicable to local governments. All annual appropriations lapse at fiscal year end.

The appropriated budget is prepared by fund and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Manager.

Encumbrance accounting is employed in governmental funds. Encumbrances outstanding at year end are reported as assignments of fund balance and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

B. Excess of expenditures over appropriations

For the year ended September 30, 2015, expenditures exceeded appropriations in the Library, Engineering, Fire and Pool departments (the legal level of budgetary control) of the General Fund by $166,372. The over-expenditure in these departments was offset by lower than anticipated spending in other departments within the General Fund.

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III. DETAILED NOTES ON ALL FUNDS

A. Deposits

1. Cash

At September 30, 2015, the carrying amount of the City's bank deposits was $16,697,702 and the bank balance was $16,954,841. The City's bank deposits at year-end were entirely covered by federal depository insurance or by pledged collateral held by the City's agent in the City's name. Cash on hand equaled $2,050. Restricted cash totaled $399,441.

2. Cash equivalents

The City participates in three investment pools. They include:

TexPool – a State of Texas sponsored state investment pool composed of U.S. government obligations, repurchase agreements, and money market mutual funds; and

TexSTAR (Texas Short Term Asset Reserve Program) – a local government investment pool composed of U.S. government obligations, fully collateralized repurchase and reverse repurchase agreements, and no-load money market mutual funds; and

TexasTERM (including **TexasDAILY**) – a local government investment pool offering fixed rate, fixed term investments, composed of U.S. government obligations, fully collateralized repurchase agreements, certificates of deposit issued by FDIC insured state and national banks doing business in Texas and AAA rated no-load money market mutual funds.

All of the pools operate in a manner consistent with the SEC's Rule 2(a)7 of the Investment Corporation Act of 1940. The pools use amortized cost rather than fair value to report net position to compute share prices. Accordingly, the fair value of the position in the pools is the same as the value of the pool shares.

As of September 30, 2015, the City held the following deposits in pooled funds:

Pool:			Weighted Average Maturity (in Days)	Credit Rating (Standard & Poor's)
TexPool	$	5,122,881	1	AAAm
TexSTAR		1,371,618	1	AAAm
TexasDaily		930,861	1	AAAm
	$	7,425,360		

B. Investments

As of September 30, 2015, the City held the following investments:

Investment Type	Fair Value	Weighted Average Maturity (in Days)
U.S. Agencies	$ 14,292,821	781
Certificates of Deposit	17,791,782	661
Total fair value	$ 32,084,603	
Investments weighted average maturity		714
Combined (pooled funds and investments) weighted average maturity		407

Interest rate risk – In accordance with its annually adopted investment policy, the City manages its exposure to declines in fair value by limiting the combined weighted average maturity of its portfolio to no more than 548 days, while employing a "buy and hold" strategy. For purposes of the calculation, the combined weighted average also includes pooled fund deposits, which from a city investment perspective have a weighted average maturity of one day.

Credit risk – The investments reported above meet the criteria specified in the City's investment policy relative to those specific types of instruments.

i. Obligations of the United States or its agents and instrumentalities with a maturity not to exceed five (5) years from the date of purchase issued by, guaranteed by, or for which the credit of any of the following Federal Agencies and Instrumentalities are pledged for payment: Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB) and Federal Agricultural Mortgage Corporation (FAMC). Each of the City's purchased investments was rated at least AA+ by Standard and Poor's.

ii. Certificates of Deposit issued by a depository institution with a main office or branch in Texas that are guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC), or secured by obligations or unconditional guarantees of the United States or its agencies and instrumentalities, the State of Texas or its agencies, or obligations of states, agencies, counties, cities and other political subdivision of any state having been rated as to investment quality by a nationally recognized investment firm not less than "A" or its equivalent.

Concentration of credit risk – It is the policy of the City to avoid a concentration of assets in a specific maturity, a specific issue or a specific class of securities. The applicable limits on the City's current investment are: U.S. Treasuries and Cash (100%), U.S. Agencies (60%), Certificates of Deposit (30%) and Local Government Investment Pools (50%). The actual

percentages of these deposits and investments at September 30, 2015 are 30%, 25%, 32% and 13%, respectively.

Custodial credit risk of investments – For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. It is the policy of the City to mitigate this risk by contracting with third-party banks for the safekeeping of securities either owned by the City as part of its investment portfolio or held as collateral to secure certificates of deposit or repurchase agreements. Settlement of all investment transactions are on a delivery versus payment basis, and all securities are held by the third party custodian in the name of the City.

C. Receivables

Receivables as of year-end for the City's individual major, non-major and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Capital Projects	Water and Sewer	Sanitation	Stormwater	Internal Service	Nonmajor and Other	Total
Receivables:								
Ad Valorem tax	$ 193,043	$ -	$ -	$ -	$ -	$ -	$ -	$ 193,043
Sales Tax	773,406	-	-	-	-	-	-	773,406
Franchise	504,315	-	-	-	-	-	-	504,315
Customers	1,328,994	-	2,529,269	387,058	60,919	-	-	4,306,240
Interest	51,035	2,264	-	-	-	-	-	53,299
Other	42,871	-	-	-	-	5,000	1,500	49,371
Gross Receivables	2,893,664	2,264	2,529,269	387,058	60,919	5,000	1,500	5,879,674
Less: Allowance for Uncollectibles	(914,141)	-	(53,000)	(12,500)	-	-	-	(979,641)
Net Total Receivables	$ 1,979,523	$ 2,264	$ 2,476,269	$ 374,558	$ 60,919	$ 5,000	$ 1,500	$ 4,900,033

Ad Valorem (Property) tax attaches as an enforceable lien on property as of January 1. The tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City. Assessed values are established at 100% of estimated market value and certified by the Dallas County Appraisal District. The assessed value of real and personal property on the tax roll as of January 1, 2014 was $9,462,112,780. The taxable value (assessed value less exemptions) upon which the fiscal 2015 levy was based was $6,348,970,328.

The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services, including the payment of principal and interest on general obligation long-term debt. The City Charter does not provide for a debt limit. The tax rate for the year ended September 30, 2015 was $0.26979 per $100, all of which was allocated to the general government.

Taxes are due October 1, the levy date. Full payment can be made prior to the following January 31 to avoid penalty and interest charges. Current tax collections for the year ended September 30, 2015 were 99% of the tax levy.

Property taxes levied for fiscal year 2015 have been recorded as receivables, net of estimated uncollectible amounts. The net receivables collected during 2015 and those considered "available" at September 30, 2015 (i.e., property taxes collected within 60 days of year-end) have been recognized as revenues in 2015. The remaining receivables have been reflected as unavailable revenue in the fund statements.

In Texas, countywide central appraisal districts are required to assess all property within the appraisal district at 100% of its appraised value and are prohibited from applying and assessment rations. The value of property within the appraisal district must be reviewed every four years; however, the City may, at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. Under this legislation, the City continues to set tax rate on City property. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year. This legislation provides that, if approved by the qualified voters in the City, both the appraisal and collection functions may be placed with the appraisal district. In addition, the City may obtain approval from its governing body to place these functions with the appraisal district.

D. Prepaid expenses

In 1997, the City exchanged land with an original value of $20,000 for a reduction in landfill tipping fees for the next 28 years with the City of Garland. The present value of the tipping fees is reflected in the financial statements as a prepaid expense and unearned revenue in the Sanitation Fund.

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E. Capital assets

Capital asset activity for the year ended September 30, 2015 was as follows:

	Beginning Balance	Additions	Retirement / Sale	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 7,041,359	$ -	$ -	$ -	$ 7,041,359
Construction in progress	2,363,299	2,769,969	-	(3,037,572)	2,095,696
Capital assets, being depreciated:					
Buildings	17,548,780	-	(50,000)	-	17,498,780
Improvements	35,162,493	64,400	(139,047)	2,899,461	37,987,307
Equipment	17,659,893	836,627	(1,991,228)	148,533	16,653,825
Infrastructure	12,870,590	-	-	-	12,870,590
Total capital assets	92,646,414	3,670,996	(2,180,275)	10,422	94,147,557
Less accumulated depreciation for:					
Buildings	(3,923,970)	(440,923)	50,000	-	(4,314,893)
Improvements	(8,524,246)	(1,431,885)	-	-	(9,956,131)
Equipment	(10,216,181)	(1,288,227)	1,971,686	-	(9,532,722)
Infrastructure	(3,578,914)	(321,784)	-	-	(3,900,698)
Total accumulated depreciation	(26,243,311)	(3,482,819)	2,021,686	-	(27,704,444)
Governmental activities capital assets, net	$ 66,403,103	$ 188,177	$ (158,589)	$ 10,422	$ 66,443,113

	Beginning Balance	Additions	Retirement / Sale	Transfers	Ending Balance
Business type activities:					
Capital assets, not being depreciated:					
Land	$ 108,758	$ -	$ -	$ -	$ 108,758
Construction in progress	4,559,013	2,568,228	-	(2,015,673)	5,111,568
Capital assets, being depreciated:					
Buildings	54,594	-	-	-	54,594
Improvements	83,298,931	-	(93,975)	2,005,251	85,210,207
Equipment	455,518	-	(46,072)	-	409,446
Total capital assets	88,476,814	2,568,228	(140,047)	(10,422)	90,894,573
Less accumulated depreciation for:					
Buildings	(54,594)	-	-	-	(54,594)
Improvements	(34,907,375)	(1,849,440)	42,282	-	(36,714,533)
Equipment	(296,069)	(12,745)	30,101	-	(278,713)
Total accumulated depreciation	(35,258,038)	(1,862,185)	72,383	-	(37,047,840)
Business type activities capital assets, net	$ 53,218,776	$ 706,043	$ (67,664)	$ (10,422)	$ 53,846,733

Depreciation expense was charged to the functional areas of the primary government as follows:

Governmental activities:		
General Government	$	1,814,746
Public Safety		585,265
Public Works		283,767
Parks		526,861
Streets		272,180
Total depreciation expense – Governmental activities	$	3,482,819
Business type activities:		
Water and Sewer	$	1,857,435
Sanitation		4,750
Total depreciation expense – Business type activities	$	1,862,185

The government has active construction projects as of September 30, 2015. The projects include drainage and sewerage improvements, utility improvements, park improvements and renovations as well as on-going “mile-per-year” (MPY) projects.

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Construction in progress at September 30, 2015 is as follows:

	Est. total cost	Balance at 9/30/2014	Expended in FY2015	Transferred or expensed	Balance at 9/30/2015	Est. future expenditures
Governmental Projects						
Security Camera I/P video conversion	$ 75,000	$ 45,578	$ 33,898	$ 79,476	$ -	$ -
Time & Attendance System replacement	45,000	-	35,264	-	35,264	9,736
Telephone System upgrade	225,000	-	182,606	-	182,606	42,394
Burleson Park renovation	555,491	100,988	464,299	565,287	-	-
University Entrance portal	182,500	1,570	5,495	-	7,065	175,435
Elena's Children's Park improvements	35,500	6,098	12,945	-	19,043	16,457
Tollway wall landscape-N. of Lovers Lane	10,000	40,339	4,536	40,339	4,536	5,464
New World Finance System hardware replacement	70,000	-	35,038	-	35,038	-
Sungard OSSI Police System hardware replacement	70,000	-	69,057	69,057	-	-
Walt Humann Park lighting	20,000	-	18,220	18,220	-	-
Median upgrades (Owsley Park/Turtle Cree	15,000	-	1,246	-	1,246	13,754
Bench/table replacements	50,000	-	47,438	47,438	-	-
Goar Park restroom structure	75,000	-	17,467	-	17,467	57,533
Pool Building upgrades	97,500	-	7,677	-	7,677	89,823
Preston Road landscape and lighting	210,000	-	6,689	-	6,689	203,311
Tennis Court resurfacing program	50,000	-	29,550	29,550	-	-
Smith Park Playground replacement	232,500	-	198,106	198,106	-	-
Holmes Aquatic Center Sprayground repair	160,000	-	3,500	3,500	-	-
Peek Center EOC	200,000	187,098	-	187,098	-	-
Old Peek Center	151,124	113,843	-	-	113,843	37,281
Miracle Mile pavement and drainage	1,590,000	43,710	-	-	43,710	1,546,290
University-Boedeker pavement	1,969,417	1,757,469	52,454	1,809,923	-	-
Traffic signal replacement	5,000,000	57,750	265,085	-	322,835	4,677,165
McFarlin Bridge/pond dredging	5,391,143	19,278	1,279,399	-	1,298,677	4,092,466
Total	$ 16,480,175	$ 2,373,721	$2,769,969	$ 3,047,994	$ 2,095,696	$ 10,967,109
Business type Projects						
MPY Douglas sewer main-Emerson to Lovers	$ 3,690,000	$ 3,534,337	$ 1,977	$ -	$ 3,536,314	$ 153,686
MPY 4400 San Carlos/Potomac & other alleys	2,200,000	-	5,965	5,965	-	-
MPY 41-4400 Windsor/Stanhope	2,200,000	-	207,720	-	207,720	1,992,280
MPY McFarlin /Shannon	500,000	-	508,211	508,211	-	-
HP-UP shared sanitary sewer	150,000	46,789	-	-	46,789	103,211
Water meter replacement	3,000,000	701,101	619,644	-	1,320,745	1,679,255
Hillcrest 12" water line	1,100,000	-	1,123,722	1,123,722	-	-
Caruth Park drainage improvements	-	266,364	100,989	367,353	-	-
Total	$ 12,840,000	$ 4,548,591	$2,568,228	$ 2,005,251	$ 5,111,568	$ 3,928,432

F. Interfund receivables, payables and transfers

Individual interfund receivable and payable balances at September 30, 2015 were as follows:

Receivable Fund	Payable Fund		
General	Water and Sewer	$	4,261,867
Water and Sewer	General		4,930,325
	Capital Projects		19,524
Sanitation	General		3,963,174
	Water and Sewer		316,059
Stormwater	General		230,485
	Water and Sewer		392,292
Capital Projects	General		769,833
	Water and Sewer		516,629
	Self-Insurance		1,990,503
	Equipment Services		4,898
Self-Insurance	General		8,687,775
	Water and Sewer		486,732
	Sanitation		12,543
	Equipment Services		56,760
Equip Service	General		953,404
	Water and Sewer		1,088,330
	Sanitation		2,874,900
Court Security	General		74,297
Court Technology	General		16,840
Police Training and Education	General		24,241
Fire Training and Education	General		6,898
Library	General		9,919
Parks Projects and Programs	General		10,541
	Total	**$**	**31,698,769**

All interfund balances at year-end result from the recording of cash in the general fund, and the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The balances noted above may be settled, offset or reduced in the coming year through cash or other investment asset transfers.

Government interfund transfers during the year ended September 30, 2015 were as follows:

Transfer From	Transfer To			
	Capital Projects	Water and Sewer	Stormwater	Total
General Fund	$ 2,774,428	$ 1,556,545	$ -	$ 4,330,973

Interfund transfers are reported in the governmental and proprietary funds financial statements. In the government-wide statements, interfund transfers are eliminated within the governmental and business type activities columns as appropriate.

Interfund transfers are used to move unrestricted revenues collected in the General Fund to finance various capital projects in accordance with budgetary authorizations. Authorized transfers are also made to fund the identifiable governmental-type costs of capital projects within the Water and Sewer fund.

The City did not transfer any funding to any of the special revenue funds during fiscal year 2015.

G. Long-term liabilities

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities					
Compensated Absences	$ 2,323,296	$ 248,875	$ (175,259)	$ 2,396,912	$ 970,351
Business Type Activities					
Compensated Absences	$ 550,094	$ 70,450	$ (548)	$ 619,996	$ 247,189

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IV. OTHER INFORMATION

A. Risk management and self-insurance

The City maintains a comprehensive self-insurance plan. The self-insurance plan encompasses workers' compensation benefits, fire, law enforcement, auto fleet, computer hardware and software, other property, public officials' liability and general liability coverage.

The Texas Municipal League Inter-Governmental Risk Pool, a public entity risk pool operating as a common risk management and insurance program, coinsures with the City for individual claim retention levels and corresponding policy limits.

The limits and corresponding deductibles are as follows:

	Limit	Deductible
General Liability	5,000,000	25,000
Law Enforcement Liability	5,000,000	25,000
Error and Omissions Liability	10,000,000	50,000
Automobile Liability	5,000,000	100,000
Automobile Physical Damage	Actual Cash Value	10,000/10,000
Real and Personal Property	Replacement Value	25,000
Flood and Earthquake	Replacement Value	25,000
Mobile Equipment	Actual Cash Value	500
Worker's Compensation	-	100,000

All claims and maximums are calculated for a plan year ending each September 30. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

In January 2000, the City expanded its self-insurance program to include employee health coverage. The program is configured to offer Preferred Provider Organization (PPO) and Health Savings Account (HSA) using an outside provider network. A third-party insurance company coinsures with the City for claims administration and individual claim retention levels, with policy limits set at $85,000 per occurrence and an aggregate stop loss of $2,891,978 per year.

Premium payments are treated as operating revenues of the Comprehensive Self-Insurance Internal Service Fund and operating expenditures/expenses of the participating funds.

Included in accrued liabilities are the provisions for claims reported and claims incurred but not reported (collectively, unpaid claims liability). The provision for claims reported is determined by estimating the amount that will ultimately be paid to each claimant. The provision for claims incurred but not reported is estimated based on City experience since the inception of the program.

Unpaid claims liability of $289,506 is included in the accrued liabilities of the Comprehensive Self-Insurance Internal Service Fund.

Changes in the balances of unpaid claims liabilities during 2015 and 2014 were as follows:

	2015	2014
Unpaid claims, beginning of year	$ 337,646	$ 374,233
Current year claims (including IBNRs) and change in estimate	3,050,027	2,402,518
Claim Payments	(3,098,167)	(2,439,105)
Unpaid claims, end of year	$ 289,506	$ 337,646

B. Commitments and contingencies

1. Water and sewer contracts

The City's water supply is derived from Dallas County/Park Cities Municipal Utility District ("the MUD") under a twenty-year contract dated March 2, 2004, at an agreed upon rate that is adjusted annually. The 2015 rate for treated water was $2.3051 per 1,000 gallons. The MUD was originally created to serve (and continues to serve) only the cities of University Park and Highland Park. It has its own treatment and storage facilities and obtains its water from Lake Grapevine, in which it has rights to the first 50,000 acre-feet of stored water. During fiscal year 2015, the cost of water purchased under this contract was approximately $4,376,725.

On November 5, 1973, the City entered into a twenty-year contract for sewage disposal with the City of Dallas. As of February 12, 2014, the City received a thirty-year extension on the contract to February 21, 2044. Under the terms of the contract, Dallas is paid a monthly fee determined by Cost-of-Service Study on a utility basis at original cost. During fiscal 2015, the cost of sewage disposal under this contract was approximately $2,317,186 at a rate of $2.3031 per 1,000 gallons.

2. Commitments

The City has contractual commitments of $306,923 in the General Fund, $12,275,219 in the Capital Projects Fund, and $229,197 in other non-major governmental funds. These commitments are for various purchases and construction projects and will be funded by various general governmental incomes.

3. Contingencies

The City is involved in various claims and litigation arising in the ordinary course of operations, none of which, in the opinion of City officials, will have a material effect on the City's financial position.

C. Deferred compensation plan

The City offers its employees a choice of two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The employees have a choice of participating in the Nationwide Retirement Solutions (formerly the Public Employees Benefit Services Corporation, or PEBSCO) plan and/or the International City Management Association Retirement Corporation (ICMA-RC) plan. All amounts of compensation under these plans are placed into investment pools administered by Nationwide and ICMA-RC, respectively. The plans, available to all regular employees, permit deferral of up to $18,000 of compensation ($24,000 for those over 50) in 2015. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under these plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust by a third party for the exclusive benefit of the participants and their beneficiaries. As a result, the deferred compensation investments are not included in the City's financial statements.

D. Retirement plans

1. Texas Municipal Retirement System (TMRS)

Plan Description

The City provides pension benefits for all of its eligible employees (except for the City's fire personnel covered under the FRRF plan, below) through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by TMRS. This report is available on TMRS' website at www.TMRS.com.

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Plan provisions for the City were as follows:

	Plan Year 2015
Employee deposit rate	7.0%
Matching ratio (City to employee)	2 to 1
Years required for vesting	10
Service retirement eligibility (expressed as age/years of service)	60/10, 0/20
Updated service credit	0%
Annuity increase (to retirees)	0% of CPI

On the actuarial valuation a measurement date of December 31, 2014, the following employees/beneficiaries were covered by the benefit terms:

Membership Number of	
Inactive employees or beneficiaries currently receiving benefits	123
Inactive employees entitled to but not yet receiving benefits	51
Active employees	207
Total	381

Contributions

The contribution rates for employees in TMRS are either 5%, 6% or 7% of employee gross earnings, and the city matching percentages are either 100%, 150% or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amounts necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of University Park were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of University Park were 8.16% and 6.19% in calendar years 2014 and 2015, respectively. The City's contributions to TMRS for the year ended September 30, 2015, were $1,010,160, and were equal to the required contributions.

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Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of December 31 and become effective in January thirteen months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 Year Smoothed market; 15% soft corridor
Inflation	3.00%
Salary Increases	3.50% to 12.00% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005-2009
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other Information:

Notes	There were no benefit changes during the year.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic equity	17.50%	4.80%
International equity	17.50%	6.05%
Core fixed income	30.00%	1.50%
Non-core fixed income	10.00%	3.50%
Real return	5.00%	1.75%
Real estate	10.00%	5.25%
Absolute return	5.00%	4.25%
Private equity	5.00%	8.50%
Total	100.00%	

Discount Rate

The discount rate used to measure the Total Pension Asset was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute, and was projected over a period of 100 years. Based on the assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Asset.

Sensitivity of Discount Rate

The following table presents the sensitivity of the Net Pension Liability (Asset) to Changes in the discount rate when calculating it at 1-percentage-point-lower (6.00%) and 1-percentage-point-higher (8.00%).

Sensity of the Net Pension Liability (Asset) to Changes in the Discount Rate

1% Decrease 6.00%	Current Single Rate Assumption 7.00%	1% Increase 8.00%
$ 5,211,310	$ (4,403,155)	$ (12,492,747)

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Schedule of Changes in Net Pension Liability and Related Ratios Current Period

Total pension liability	
Service cost	$ 1,721,395
Interest (on the Total Pension Liability)	5,398,451
Changes of benefit terms	-
Difference between expected and actual experience	(544,994)
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	(3,500,753)
Net change in total pension liability	3,074,099
Total pension liability -- beginning	78,010,413
Total pension liability -- ending	$ 81,084,512
Plan fiduciary net position	
Contributions -- employer	$ 1,209,153
Contributions -- employee	1,037,372
Net investment income	4,696,136
Benefit payments, including refund of employee contributions	(3,500,753)
Administrative expense	(49,034)
Other	(4,031)
Net change in plan fiduciary net position	3,388,843
Plan fiduciary net position -- beginning	82,098,824
Plan fiduciary net position -- ending	$ 85,487,667
Net pension liability (asset)	$ (4,403,155)
Plan fiduciary net position as a percentage of the total pension liability	105.43%
Covered employee payroll	$ 14,819,603
Net pension liability as a percentage of covered employee payroll	(29.71%)

The net pension liability (asset) and the total pension liability (asset) were calculated by Gabriel, Roeder, Smith & Company (GRS). The measurement date and the actuarial valuation date were December 31, 2014.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2015, the City recognized pension expense of $1,001,415.

At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ (432,657)
Net difference between projected and actual earnings on pension plan investments	840,626	-
Employer's contributions to the pension plan subsequent to the measurement date	680,940	-
Total	$ 1,521,566	$ (432,657)

Of the $1,521,566 total for deferred outflows of resources, $680,940 from the City contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2016. The remainder of the total net deferred outflows/inflows of resources, $407,969, will be recognized in pension expense as follows:

	Net Deferred Outflows/(Inflows) of Resources
2016	$ 97,819
2017	97,819
2018	97,819
2019	114,512
2020	-
Total	$ 407,969

Funded Status and Funding Progress

The TMRS Board adopted a target investment rate of return of 6.75% at its July 2015 board meeting. It is unknown at this time the exact amount the Net Pension Asset will change, except that the Net Pension Asset is expected to decrease. For a complete description of the new actuarial cost method and assumptions, please see the December 31, 2014 TMRS Comprehensive Annual Financial Report (CAFR).

2. Firemen's Relief and Retirement Fund (FRRF)

Plan Description

The Board of Trustees is the administrator of the University Park Firemen's Relief and Retirement Fund ("the Fund"), a single-employer defined benefit pension plan. The City of University Park, Texas is the only contributing employer. Firefighters in the University Park Fire Department are covered by the FRRF and also contribute to the FRRF. The FRRF is not a part of the City's reporting entity because the City does not have fiduciary responsibility of the FRRF assets, is not able to impose its will on the FRRF, nor is the FRRF fiscally dependent on the City, since the Board of Trustees has the ability to complete essential fiscal events without approval by the City, and the Board is not appointed by the City.

The plan covers current and former fire fighters of the City of University Park, Texas as well as certain beneficiaries of former firefighters. The plan is open to new entrants. The types of employees covered, as well as the plan membership as of January 1, 2015 (the most recent biennial actuarial valuation) are as follows:

Number of	1/1/2015
Actives below earliest ARA (Assumed Retirement Age)	31
Actives in ARA range	4
Actives above latest ARA	0
Service retired	30
Disability retired	4
Vested and non-vested terminated	1
Spouses and alternate payees	7
Children	1
Total	78

Benefits

The FRRF provides service retirement, early retirement, disability, death and termination benefits. These benefits fully vest after 20 years of credited service with a partially vested benefit with 19 years of service. Employees may retire at age 50 with 20 years of service. The Plan effective January 1, 2002 provides for a monthly service retirement benefit, payable in a Joint and Two-Thirds to Spouse form of annuity. The monthly benefit equals 60% of the Highest 60-Month Average Salary plus $80.00 per month for each year of service in excess of 20 years.

A firefighter has the option to participate in a Retroactive Deferred Option Plan (RETRO DROP) which will provide a lump sum benefit and a reduced annuity upon termination of employment. Firefighters must be at least age 53 with 23 years of service at the selected RETRO DROP benefit calculation date (which is prior to the date of employment termination).

There is no provision for automatic postretirement benefit increases. The Fund has the authority to provide, and has periodically provided for, ad hoc postretirement benefit increases. The benefit

provisions of this plan are authorized by the Texas Local Fire Firefighters' Retirement Act (TLFFRA). TLFFRA provides the authority and procedure to amend benefit provisions.

Contributions

The contribution provisions of this plan are authorized by TLFFRA. TLFFRA provides the authority and procedure to change the amount of contributions determined as a percentage of pay by each firefighter.

While the contributions made are not actuarially determined, state law requires that each plan of benefits adopted by the Fund must be approved by an eligible actuary. The actuary certifies that the contribution commitment by the firefighters and the City provides an adequate financing arrangement. Using the entry age actuarial cost method, the Plan's normal cost contribution rate is determined as a percentage of payroll.

The excess of the total contribution rate over the normal cost rate is used to amortize the Plan's unfunded actuarial accrued liability, and the number of years needed to amortize the plan's unfunded actuarial accrued liability is determined using a level percentage of payroll method.

The costs of administering the plan are paid from the Fund.

The funding policy of the FRRF required contributions of 10% of pay by the members through September 2009. For the period from October 2009 through September 2010, member contributed 12% of total pay. For the period from October 2010 through September 2011, member contributed 14% of total pay. For the period from October 2011 through September 2012, member were scheduled to contribute 15% of total pay; however the 2011 increase was extended by one year, by vote of the membership. For the period from October 2013 to September 2014, members were scheduled to contribute 15% of total pay.

In accordance with current TLFFRA statutes, the City is required to make contributions to the FRRF at the same rate paid by the firefighters, or 12%, whichever is less. The City has traditionally contributed to the FRRF at the same rate it contributed to TMRS, which has always resulted in a rate in excess of statutory requirements. On July 1, 2008, the City FRRF contribution rate was set at 15.54% of payroll; to compensate the FRRF for the loss of contributions related to incoming fire department personnel who opted to join the TMRS Plan in accordance with TLFFRA provisions. The City continued to contribute 15.54% of total pay through September 2014.

From October 2014 to September 2015, the FRRF Board has accepted the City's proposal to shift 2% of the contribution from the firefighters' contribution to the City contribution for a year. This action decreased the firefighters' contribution from 15% to 13%, and increased the City's contribution from 15.54% to 17.54% for a year. This shift was extended to September 2016, and it is subject for review before September 30, 2016.

The City's contributions to FRRF for the year ended September 30, 2015, were $577,601, and were equal to the required contributions.

General Actuarial Assumptions:

	1/1/2015
Valuation date	
Actuarial cost method	Entry age normal actuarial cost
Amortization method	Level percent of payroll, open period
Remaining amortization period	53.7 years
Asset valuation method	Market value, 5-year smoothing
Investment rate of return	8.0%, compounded annually
Projected salary increases	4.0%, plus promotion and longevity
Cost-of-living adjustments	None
Payroll increases	4.0% compounded annually

The long-term expected rate of return on pension plan investments is 8.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the FRRF Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of FRRF.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Cash & short-term fixed income	1.45%	0.00%
Investment grade fixed income	17.40%	3.00%
High yield fixed income	9.06%	5.00%
All-cap	11.31%	5.75%
Large-cap	12.73%	6.75%
Smid-cap	4.80%	8.25%
Smid-cap value	1.27%	8.75%
Small-cap	4.63%	8.25%
Emerging markets	4.94%	6.00%
Global equity	13.80%	5.80%
Real estate	3.38%	7.75%
Income opportunity fund	10.18%	6.00%
Master limited partnership	2.86%	9.00%
Strategic global convertibles	2.19%	6.75%
Total	100.00%	

Discount Rate

Decrements are assumed to be annual rates, rather than probabilities, and are adjusted for the interaction between competing decrements. The 8.00% rate of return was set by examining the fund's rate of return history and by taking into account future expected rates of return for portfolios with similar asset allocations. The assumed 8.00% rate can be considered to include a provision for inflation at 3.00% per year, although other combinations of real return, risk premium and inflation are also accounted for by an 8.00% assumed rate. The rate of return is net of trust expenses. The same inflation component was used in the assumed rate of return on the actuarial value of assets, the assumed increases in compensation for individual members and the other actuarial assumptions.

The discount rate used to measure the Total Pension Liability was 8.0%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute, and was projected over a period of 100 years. Based on the assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Sensitivity of Discount Rate

The following table presents the sensitivity of the Net Pension Liability to Changes in the discount rate when calculating it at 1-percentage-point-lower (7.00%) and 1-percentage-point-higher (9.00%).

Sensity of the Net Pension Liability to Changes in the Discount Rate

1% Decrease 7.00%	Current Single Rate Assumption 8.00%	1% Increase 9.00%
$ 13,610,942	$ 11,332,406	$ 9,403,609

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Schedule of Changes in Net Pension Liability and Related Ratios Current Period

Total pension liability	
Service cost (Pension benefit)	$ 500,790
Service cost (Administrative expenses)	41,323
Interest (on the Total Pension Liability)	1,595,786
Changes of benefit terms	-
Difference between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds of member contributions	(1,431,822)
Net change in total pension liability	706,077
Total pension liability -- beginning	20,141,790
Total pension liability -- ending	$ 20,847,867
Plan fiduciary net position	
Contributions -- employer	$ 526,289
Contributions -- employee	477,809
Net investment income	479,579
Benefit payments, including refund of employee contributions	(1,431,822)
Administrative expense	(41,323)
Other	-
Net change in plan fiduciary net position	10,532
Plan fiduciary net position -- beginning	9,504,929
Plan fiduciary net position -- ending	$ 9,515,461
Net pension liability	$ 11,332,406
Plan fiduciary net position as a percentage of the total pension liability	45.64%
Covered employee payroll	$ 3,427,043
Net pension liability as a percentage of covered employee payroll	330.68%

The net pension liability and the total pension liability were calculated by John M. Crider, Jr. The measurement date and the actuarial valuation date were December 31, 2014 and January 1, 2015, respectively.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2015, the City recognized pension expense of $583,495.

At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ -
Net difference between projected and actual earnings on pension plan investments	383,664	-
Employer's contributions to the pension plan subsequent to the measurement date	424,422	-
Total	$ 808,086	$ -

Of the $808,086 total for deferred outflows of resources, $424,422 from the City contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2016. The remainder of the total net deferred outflows of resources, $383,664, will be recognized in pension expense as follows:

	Net Deferred Outflows/(Inflows) of Resources
2016	$ 95,915
2017	95,915
2018	95,915
2019	95,919
2020	-
Total	$ 383,664

Separate audited financial statements are available, and can be obtained by contacting the City of University Park Fire Department at 3800 University Blvd., University Park, Texas 75205.

E. Retiree Health Care Plan

Plan Description

The City of University Park offers certain health care benefits to retired employees through a single-employer defined benefit plan ("the Plan"). Permanent full-time employees of the City of University Park are eligible to participate in the Plan upon retirement. They may remain members of the Plan until they reach the age of 65 or otherwise become eligible for Medicare benefits. Members must pay 100% of the retiree health care premium. Members become eligible to participate in the Plan upon normal service retirement, or if they meet the Disability Retirement provisions of TMRS or FRRF, whichever applies, and draw disability retirement benefits from TMRS or FRRF, whichever applies. Members terminating their employment before normal service retirement conditions are not eligible for retiree health care. The City of University Park does not provide subsidized retiree vision or dental coverage. The Plan does not issue separate financial statements. All payments received or made on behalf of the Plan are done so through the Comprehensive Self-Insurance Fund.

Current retirees contribute to the Plan an amount approximating the blended premium for active and retired participants. This amount is determined annually by an Employee Benefits Committee, under the direction of the City Council. Retiree contribution rates for fiscal 2015 range from $10,418 to $17,398 per year, depending on coverage levels.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. Beginning with fiscal 2009, the ARC has been calculated assuming "pay-as-you-go" (PAYGO) funding.

In 2009, the first year GASB Statement 45 was adopted, the annual OPEB cost was equal to the ARC. Actual claims and certain other costs paid on behalf of retirees may be treated as employer contributions in relation to the ARC and act to reduce the Net OPEB Obligation.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the OPEB Plan, and the changed in the City's Net OPEB Obligation.

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The Annual Pension Cost and Net Pension Obligation are as follows:

	Fiscal 2015
Annual Required Contribution (ARC) under PAYGO funding	$ 63,795
Interest on Net OPEB Obligation (at 4.5%)	13,639
Adjustment to the ARC	(12,636)
Annual OPEB cost	64,798
Contributions Made/Catch-ups	(124,323)
Change in OPEB Obligation	(59,525)
Net OPEB Obligation, beginning of year	303,079
Net OPEB Obligation, end of year	$ 243,554

Contribution made (as presented above) included offsetting retiree premium payments, which were in excess of employer costs. This resulted in a net increase in the OPEB Obligation for the year.

Three-Year Trend Information:

Fiscal Year Ending	Annual Pension Cost (APC)	Actual Contribution Made	Percentage Of APC Contributed	Net Pension Obligation (Asset)
2013	56,150	23,659	42%	251,106
2014	57,921	5,948	10%	303,079
2015	64,798	124,323	195%	243,554

Funded Status

As of December 31, 2014, the most recent actuarial valuation date, the present value of all benefits expected to be paid to current OPEB Plan member was $993,980. The actuarial accrued liability, which is the portion of the $993,980 attributable to service accrued by OPEB Plan members as of December 31, 2014 is $615,743. As of December 31, 2014 there are $0 in valuation assets to offset the liabilities of the plan, resulting in an unfunded accrued actuarial liability of $615,743 and a 0% funded ration. The covered payroll (annual payroll of active employees covered by the plan) was $18,246,646, and the ration of the UAAL to the covered payroll was 3.37%.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing the benefit costs between the employer and plan members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 2014 actuarial valuation, the Projected Unit Credit, level Percent of Payroll actuarial cost method was used to calculate the ARC. The actuarial assumptions include a 4.5% investment rate of

return, compounded annually net after investment expenses. The assumed real rate of return is the rate of return in excess of general price inflation, which was assumed to be 3% per year. Considering other assumptions used in the valuation, the 4.5% nominal rate translates to a real net return of 1.5% a year. The payroll growth rate for funding the Unfunded Actuarial Accrued Liabilities was assumed to be 3% per year. The annual healthcare cost increase was 7.25% for 2015, decreasing by 0.25% per year, until reaching an ultimate rate of 4.5% in 2025 or later. The unfunded actuarial liability is amortized over a closed 30-year period, which is the maximum time period permitted by Governmental Accounting Standards Board Statements No. 43 and No. 45.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time, relative to the actuarial accrued liability of benefits.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF UNIVERSITY PARK, TEXAS

Texas Municipal Retirement System

Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 years

	2015
Total pension liability	
Service cost	$ 1,721,395
Interest (on the Total Pension Liability)	5,398,451
Changes of benefit terms	-
Difference between expected and actual experience	(544,994)
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	(3,500,753)
Net change in total pension liability	3,074,099
Total pension liability -- beginning	78,010,413
Total pension liability -- ending	$ 81,084,512
Plan fiduciary net position	
Contributions -- employer	$ 1,209,153
Contributions -- employee	1,037,372
Net in investment income	4,696,136
Benefit payments, including refund of employee contributions	(3,500,753)
Administrative expense	(49,034)
Other	(4,031)
Net change in plan fiduciary net position	3,388,843
Plan fiduciary net position -- beginning	82,098,824
Plan fiduciary net position -- ending	$ 85,487,667
Net pension liability (asset)	$ (4,403,155)
Plan fiduciary net position as a percentage of the total pension liability	105.43%
Covered employee payroll	$ 14,819,603
Net pension liability as a percentage of covered employee payroll	(29.71%)

Note: The City adopted GASB 68 for FY15, and will build this schedule over the next 10 years. The amounts presented for each fiscal year were determined as of the December 31 year-end that occurred within the fiscal year.

CITY OF UNIVERSITY PARK, TEXAS

Texas Municipal Retirement System

Schedule of Contributions
Last 10 years

	2015
Actuarially Determined Contribution	$ 1,010,160
Contributions in relation to the actuarially determined contribution	1,010,160
Contribution deficiency (excess)	-
Covered employee payroll as of December 31, 2014	14,819,603
Contributions as a percentage of covered-employee payroll	6.82%

Note: The City adopted GASB 68 for FY15, and will build this schedule over the next 10 years.

CITY OF UNIVERSITY PARK, TEXAS

Texas Municipal Retirement System

Notes to Schedule of Contributions

Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of December 31 and become effective in January thirteen months

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 Year Smoothed market; 15% soft corridor
Inflation	3.00%
Salary Increases	3.50% to 12.00% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005-2009
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other Information:

Notes	There were no benefit changes during the year.

CITY OF UNIVERSITY PARK, TEXAS

University Park Firemen's Relief and Retirement Fund

Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 years

	2015
Total pension liability	
Service cost (Pension benefit)	$ 500,790
Service cost (Administrative expenses)	41,323
Interest (on the Total Pension Liability)	1,595,786
Changes of benefit terms	-
Difference between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds of member contributions	(1,431,822)
Net change in total pension liability	706,077
Total pension liability -- beginning	20,141,790
Total pension liability -- ending	$ 20,847,867
Plan fiduciary net position	
Contributions -- employer	$ 526,289
Contributions -- employee	477,809
Net in investment income	479,579
Benefit payments, including refund of employee contributions	(1,431,822)
Administrative expense	(41,323)
Other	-
Net change in plan fiduciary net position	10,532
Plan fiduciary net position -- beginning	9,504,929
Plan fiduciary net position -- ending	$ 9,515,461
Net pension liability	$ 11,332,406
Plan fiduciary net position as a percentage of the total pension liability	45.64%
Covered employee payroll	$ 3,427,043
Net pension liability as a percentage of covered employee payroll	330.68%

Note: The City adopted GASB 68 for FY15, and will build this schedule over the next 10 years.

The amounts presented for each fiscal year were determined as of the December 31 year-end that occurred within the fiscal year.

CITY OF UNIVERSITY PARK, TEXAS

University Park Firemen's Relief and Retirement Fund

Schedule of Contributions
Last 10 years

	2015
Actuarially Determined Contribution	$ 577,601
Contributions in relation to the actuarially determined contribution	577,601
Contribution deficiency (excess)	-
Covered employee payroll as of December 31, 2014	3,427,043
Contributions as a percentage of covered-employee payroll	16.85%

Note: The City adopted GASB 68 for FY15, and will build this schedule over the next 10 years.

CITY OF UNIVERSITY PARK, TEXAS

University Park Firemen's Relief and Retirement Fund

Notes to Schedule of Contributions

Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of December 31 and become effective in January thirteen months

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal actuarial cost
Amortization method	Level percent of payroll, open period
Remaining amortization period	53.7 years
Asset valuation method	Market value, 5-year smoothing
Inflation	3.00%
Investment rate of return	8.0%, compounded annually
Projected salary increases	4.0%, plus promotion and longevity
Cost-of-living adjustments	None
Payroll increases	4.0% compounded annually
Retirement Age for vested terminated members	Benefits for vested terminated members are assumed to start on the date the member attains age 50 or, if later, the date the member would have completed 20 years of service.
Mortality	Employee and healthy annuitant combined rates from the RP-2000 Mortality Table, projected to 2024, with separate rates for males and females.

Other Information:

Notes	There were no benefit changes during the year.

CITY OF UNIVERSITY PARK, TEXAS

Required Supplementary Information
Retiree Health Care Plan

Schedule of Funding Progress (Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a)/c)
6/30/2008	$ -	$ 537,462	$ 537,462	0.0%	$14,001,820	3.8%
12/31/2010	-	654,401	654,401	0.0%	16,288,708	4.0%
12/31/2012	-	570,311	570,311	0.0%	16,747,610	3.4%
12/31/2014	-	615,743	615,743	0.0%	18,246,646	3.4%

There were no actuarial valuations prior to June 30, 2008.

CITY OF UNIVERSITY PARK, TEXAS
Budgetary Comparison Schedule
General Fund

For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, October 1	$ 27,323,416	$ 27,323,416	$27,323,416	$ -
Resources (inflows)				
Property tax	17,272,764	17,272,764	17,043,636	(229,128)
Sales tax	3,620,000	3,620,000	4,229,485	609,485
Franchise fees	2,195,000	2,195,000	2,228,552	33,552
Permits and licenses	1,539,000	1,539,000	2,309,390	770,390
Fines	766,000	766,000	610,828	(155,172)
Charges for services	1,907,260	1,907,260	1,738,025	(169,235)
Other	967,000	967,000	1,700,992	733,992
Investment income	200,000	200,000	250,283	50,283
Amounts available for appropriation	55,790,440	55,790,440	57,434,607	1,644,167
Charges to appropriations (outflows)				
General Government	4,132,129	4,304,625	4,162,285	142,340
Public Safety	13,006,610	13,066,914	12,744,614	322,300
Streets	2,004,855	2,025,586	1,998,240	27,346
Parks	3,280,633	3,238,459	3,199,072	39,387
Public Works	2,920,080	2,964,858	2,847,099	117,759
Transfers	3,123,152	4,330,981	4,330,973	8
Total charges to appropriations	28,467,459	29,931,423	29,282,283	649,140
Budgetary fund balance, September 30	$ 27,322,981	$ 25,859,017	$28,152,324	$ 2,293,307

See notes to required supplementary information.

Budgetary Information

The City uses the following process to legally adopt the General Fund annual budget as reflected in the financial statements:

1. Before September 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain tax and ratepayer opinion. Public notice is given as required by State law.

3. Before October 1, the City Council legally enacts the budget through passage of an ordinance.

The City Manager is authorized to transfer budgeted amounts between departments (functions); however, any amendments that increase a fund's total expenditures must be approved by the City Council after appropriate public notice and citizen participation.

Management exercises control over budgeted expenditures by sub-function (i.e., department or division), as presented in the accompanying financial statements. Unused appropriations lapse at the end of each fiscal year.

Formal budgetary integration is employed as a planning device for the General Fund. The City adopts an annual operating budget that is prepared on a modified accrual basis consistent with generally accepted accounting principles in the United State of America applicable to local government.

OTHER SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

Nonmajor Governmental Funds

Special revenue funds are used to account for specific revenue sources that are restricted or committed to expenditure for specified purposes.

University Park Civic Foundation – This fund is used to account for private donations and contributions to the City. Donations may be made for a specific project or specifically restricted for use in charitable, scientific, literary, educational, and public safety programs.

Court Security – This fund is used to account for the receipt and expenditure of the Municipal Court Building Security Fee that is charged to defendants in accordance with state law. Money in the fund may be used only to finance security personnel or to finance items which are used for the purpose of providing security services for buildings housing a municipal court.

Court Technology – This fund is used to account for the receipt and expenditure of the Municipal Court Technology Fee that is charged to defendants in accordance with state law. Money in the fund may be used only to finance the purchase of or to maintain technological enhancements for a municipal court.

Police Training and Education – This fund is used to account for the receipt and expenditure of monies received from various agencies specifically for police training and education purposes.

Police Forfeiture Fund – This fund is used to account for funds awarded by the court to the Police Department. The expenditure of these funds is legally restricted for use in police activities.

Fire Training and Education – This fund is used to account for the receipt and expenditure of monies received from various agencies specifically for fire personnel training and education purposes.

Library – This fund is used to account for the receipt and expenditure of monies donated from various sources for the City library.

Parks Projects and Programs – This fund is used to account for the receipt and expenditure of monies received from various City park projects and programs.

CITY OF UNIVERSITY PARK, TEXAS
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2015

	Special Revenue Funds								
	University Park Civic Foundation	Court Security	Court Technology	Police Training and Education	Police Forfeiture	Fire Training and Education	Library	Parks Projects and Programs	Total
ASSETS									
Cash and cash equivalents	$ 77,718	$ -	$ -	$ -	$ 7,493	$ -	$ -	$ -	$ 85,211
Accounts receivables	-	-	-	-	-	-	-	1,500	1,500
Due from other funds	-	74,297	16,840	24,241	-	6,898	9,919	10,541	142,736
TOTAL ASSETS	$ 77,718	$ 74,297	$ 16,840	$ 24,241	$ 7,493	$ 6,898	$ 9,919	$ 12,041	$ 229,447
LIABILITIES									
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ 250	$ -	$ 250
Total liabilities	-	-	-	-	-	-	250	-	250
FUND BALANCES									
Restricted to:									
General Government	$ 42,955	$ -	$ -	$ -	$ -	$ -	$ 9,669	$ -	$ 52,624
Public Safety	-	74,297	16,840	24,241	7,493	6,898	-	-	129,769
Parks	34,763	-	-	-	-	-	-	12,041	46,804
Total fund balances	77,718	74,297	16,840	24,241	7,493	6,898	9,669	12,041	229,197
TOTAL LIABILITIES AND FUND BALANCES	$ 77,718	$ 74,297	$ 16,840	$ 24,241	$ 7,493	$ 6,898	$ 9,919	$ 12,041	$ 229,447

CITY OF UNIVERSITY PARK, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds

For the Year Ended September 30, 2015

	Special Revenue Funds								
	University Park Civic Foundation	Court Security	Court Technology	Police Training and Education	Police Forfeiture	Fire Training and Education	Library	Parks Projects and Programs	Total
REVENUES									
Investment income	$ 40	$ -	$ -	$ -	$ 3	$ -	$ -	$ -	$ 43
Fines	-	9,538	12,717	-	-	-	-	-	22,255
Donations	42,206	-	-	3,058	-	6,128	6,995	26,227	84,614
Other	-	-	-	630	1,262	-	-	-	1,892
Total revenues	42,246	9,538	12,717	3,688	1,265	6,128	6,995	26,227	108,804
EXPENDITURES									
Parks	5,983	-	-	-	-	-	-	20,503	26,486
Scholarships	25,750	-	-	-	-	-	-	-	25,750
General Government	700	-	-	-	-	-	6,918	-	7,618
Public Safety	-	-	16,665	-	1,672	9,366	-	-	27,703
Total expenditures	32,433	-	16,665	-	1,672	9,366	6,918	20,503	87,557
Excess (deficiency) of revenues over (under) expenditures	9,813	9,538	(3,948)	3,688	(407)	(3,238)	77	5,724	21,247
Fund balances - beginning	67,905	64,759	20,788	20,553	7,900	10,136	9,592	6,317	207,950
Fund balances - ending	$ 77,718	$ 74,297	$ 16,840	$ 24,241	$ 7,493	$ 6,898	$ 9,669	$ 12,041	$ 229,197

COMBINING FINANCIAL STATEMENTS

Internal Service Funds

The Internal Service Funds account for the services provided by one department to other departments of the City on a cost reimbursement basis. The following is a description of the City's Internal Service Funds:

Equipment Services Fund – Accounts for the costs of materials, supplies and the acquisition and maintenance of specific equipment used exclusively by other departments of the City.

Comprehensive Self-Insurance Fund – Accounts for the costs associated with the general liability, property and casualty, medical and worker's compensation self-insurance program established by the City.

CITY OF UNIVERSITY PARK, TEXAS
Combining Statement of Net Position
Internal Service Funds

September 30, 2015

	Equipment Services	Comprehensive Self-Insurance	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 903,563	$ 608,331	$ 1,511,894
Investments	-	-	-
Receivables	-	5,000	5,000
Due from other funds	4,916,634	9,243,810	14,160,444
Total current assets	5,820,197	9,857,141	15,677,338
Non-current assets:			
Pension -- TMRS	192,858	-	192,858
Capital assets			
Machinery and equipment	10,513,571	-	10,513,571
Accumulated depreciation	(5,951,736)	-	(5,951,736)
Total non-current assets	4,754,693	-	4,754,693
Total assets	10,574,890	9,857,141	20,432,031
DEFERRED OUTFLOW OF RESOURCES			
Pension contributions and Investment experience	66,644	-	66,644
LIABILITIES			
Current liabilities:			
Accounts payable	9,193	80,190	89,383
Accrued liabilities	32,316	289,506	321,822
Accrued compensated absences	59,548	-	59,548
Due to other funds	61,658	1,990,503	2,052,161
Total current liabilities	162,715	2,360,199	2,522,914
Non-current liabilities:			
Accrued compensated absences	78,258	-	78,258
Total non-current liabilities	78,258	-	78,258
Total liabilities	240,973	2,360,199	2,601,172
DEFERRED INFLOW OF RESOURCES			
Pension actual experience	18,950	-	18,950
NET POSITION			
Investment in capital assets	4,561,835	-	4,561,835
Unrestricted	5,819,776	7,496,942	13,316,718
Total net position	$10,381,611	$ 7,496,942	$17,878,553

CITY OF UNIVERSITY PARK, TEXAS
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds

For the Year Ended September 30, 2015

	Equipment Services	Comprehensive Self-Insurance	Total
Operating revenues			
Charges for service	$ 1,676,145	$ -	$ 1,676,145
Premiums	-	3,619,695	3,619,695
Other income	-	10,071	10,071
Total operating revenues	1,676,145	3,629,766	5,305,911
Operating expenses			
Claims paid and change in estimate	-	3,001,886	3,001,886
Personnel services	859,744	-	859,744
Administrative and fiscal services	-	761,980	761,980
Depreciation	752,568	-	752,568
Supplies and other	19,255	-	19,255
Contractual and other services	105,279	126,539	231,818
Total operating expenses	1,736,846	3,890,405	5,627,251
Operating income (loss)	(60,701)	(260,639)	(321,340)
Nonoperating revenues			
Investment income	3,944	13,176	17,120
Gain on sale of capital assets	93,862	-	93,862
Net income	37,105	(247,463)	(210,358)
Total net position - beginning as restated	10,344,506	7,744,405	18,088,911
Total net position - ending	$ 10,381,611	$ 7,496,942	$ 17,878,553

CITY OF UNIVERSITY PARK, TEXAS
Combining Statement of Cash Flows
Internal Service Funds

For the Year ended September 30, 2015

	Equipment Services	Comprehensive Self-Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 1,680,597	$ 3,630,553	$ 5,311,150
Payments to other funds	(1,194,617)	(298,525)	(1,493,142)
Payments to suppliers	(115,871)	(3,947,589)	(4,063,460)
Payments to employees	(874,994)	-	(874,994)
Net cash used in operating activities	(504,885)	(615,561)	(1,120,446)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(761,092)	-	(761,092)
Proceeds from sale of capital assets	93,862	-	93,862
Net cash used in capital and related financing activities	(667,230)	-	(667,230)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investment securities	-	-	-
Proceeds from the sale and maturities of investment securities	1,168,666	1,000,000	2,168,666
Interest on investments	3,944	7,301	11,245
Net cash provided by investing activities	1,172,610	1,007,301	2,179,911
Net increase in cash and cash equivalents	495	391,740	392,235
Cash and cash equivalents, beginning of year	903,068	216,591	1,119,659
Cash and cash equivalents, end of year	$ 903,563	$ 608,331	$ 1,511,894
Reconciliation of operating loss to net cash provided by (used in) operating activities:			
Operating loss	$ (60,701)	$ (260,639)	$ (321,340)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation expense	752,568	-	752,568
Increase in due from other funds	(1,204,748)	(298,409)	(1,503,157)
Increase in pension and deferred outflow	(22,933)	-	(22,933)
Increase in deposit on insurance claims	-	-	-
Decrease in interest receivable	4,452	787	5,239
Increase (decrease) in accrued liabilities	16,346	(57,184)	(40,838)
Increase (decrease) in due to other funds	10,131	(116)	10,015
Total adjustments	(444,184)	(354,922)	(799,106)
Net cash used in operating activities	$ (504,885)	$ (615,561)	$(1,120,446)
NON-CASH INVESTING ACTIVITIES			
Change in the fair value of investments	$ -	$ -	$ 5,875

STATISTICAL SECTION
(UNAUDITED)

This part of the City of University Park's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

CONTENTS **Tables**

Financial Trends **1-4**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity **5-8**

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity **9-13**

These schedules present information to help the reader assess the City's current levels of outstanding debt (if any) and the City's ability to issue debt in the future.

Demographic and Economic Information **14-15**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information **16-18**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB-34 in fiscal 2003; schedules presenting government-wide information include information beginning in that year.*

CITY OF UNIVERSITY PARK, TEXAS
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

Table 1

	2006	2007	2008	2009	2010	2011	2012	2013	RESTATED 2014	2015
Governmental activities:										
Investment in capital assets	$ 33,785,948	$ 45,450,240	$ 50,496,272	$ 56,768,201	$ 59,672,952	$ 60,538,038	$ 62,312,988	$ 65,190,228	$ 66,403,103	$ 66,443,113
Restricted	-	-	-	-	-	-	-	-	-	229,197
Unrestricted	36,806,337	29,816,358	27,944,347	42,237,664	40,972,031	44,123,844	44,289,220	41,264,456	38,478,120	38,525,057
Total governmental activities net position	$ 70,592,285	$ 75,266,598	$ 78,440,619	$ 99,005,865	$ 100,644,983	$ 104,661,882	$ 106,602,208	$ 106,454,684	$ 104,881,223	$ 105,197,367
Business type activities:										
Investment in capital assets	$ 38,360,267	$ 39,965,081	$ 39,024,619	$ 44,386,134	$ 45,828,561	$ 47,970,897	$ 49,683,932	$ 51,127,842	$ 53,218,776	$ 53,846,733
Unrestricted	11,792,463	11,155,204	12,244,408	8,610,182	8,558,576	8,690,783	8,156,715	7,022,922	8,603,253	11,052,770
Total business type activities net position	$ 50,152,730	$ 51,120,285	$ 51,269,027	$ 52,996,316	$ 54,387,137	$ 56,661,680	$ 57,840,647	$ 58,150,764	$ 61,822,029	$ 64,899,503
Primary government:										
Investment in capital assets	$ 72,146,215	$ 85,415,321	$ 89,520,891	$ 101,154,335	$ 105,501,513	$ 108,508,935	$ 111,996,920	$ 116,318,070	$ 119,621,879	$ 120,289,846
Restricted	-	-	-	-	-	-	-	-	-	229,197
Unrestricted	48,598,800	40,971,562	40,188,755	50,847,846	49,530,607	52,814,627	52,445,935	48,287,378	47,081,373	49,577,827
Total primary government net position	$ 120,745,015	$ 126,386,883	$ 129,709,646	$ 152,002,181	$ 155,032,120	$ 161,323,562	$ 164,442,855	$ 164,605,448	$ 166,703,252	$ 170,096,870

Source: Comprehensive Annual Financial Report
Note: The City implemented GASB 68 in FY15. The unrestricted net position balances were restated for the effects of this statendard in FY14 and FY15.

CITY OF UNIVERSITY PARK, TEXAS
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

Table 2

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General Government	$ 3,979,445	$ 3,876,176	$ 4,239,047	$ 4,357,936	$ 4,616,440	$ 3,405,642	$ 4,643,566	$ 5,168,456	$ 5,303,529	$ 6,237,596
Public Safety	9,488,031	10,009,425	11,048,919	11,305,806	11,681,307	12,173,113	12,198,719	12,914,938	12,870,794	13,866,937
Streets	1,800,554	1,828,603	2,029,372	1,779,140	1,872,143	1,755,084	1,829,907	1,862,581	1,961,153	2,153,362
Parks	2,525,357	2,692,352	2,902,051	2,959,412	3,276,568	3,330,332	3,418,159	3,609,761	3,549,975	3,701,838
Public Works	2,503,614	2,532,896	3,055,630	2,831,572	2,765,385	2,691,034	2,658,904	3,089,173	2,933,931	2,973,871
Total governmental activities expenses	20,297,001	20,939,452	23,275,019	23,233,866	24,211,843	23,355,205	24,749,255	26,644,909	26,619,382	28,933,604
Business type activities:										
Utilities	9,097,719	9,781,371	10,299,016	10,843,388	11,399,252	12,795,748	13,146,550	13,991,080	13,679,558	13,361,608
Sanitation	2,400,771	2,457,524	2,751,690	2,477,782	2,552,159	2,622,334	2,590,435	2,784,109	2,791,940	2,826,506
Stormwater	-	-	-	-	-	-	-	-	109,032	92,646
Total business type activities expenses	11,498,490	12,238,895	13,050,706	13,321,170	13,951,411	15,418,082	15,736,985	16,775,189	16,580,530	16,280,760
Total primary government expense	$ 31,795,491	$ 33,178,347	$ 36,325,725	$ 36,555,036	$ 38,163,254	$ 38,773,287	$ 40,486,240	$ 43,420,098	$ 43,199,912	$ 45,214,364
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	$ 23,370	$ 25,403	$ 25,735	$ 25,550	$ 27,965	$ 36,492	$ 29,132	$ 48,342	$ 58,247	$ 64,946
Public Safety	1,235,330	1,517,174	1,545,336	2,158,211	2,146,698	1,972,793	2,284,805	2,258,352	2,358,022	2,086,722
Streets	-	-	-	-	-	-	-	-	-	-
Parks	255,906	231,289	234,697	268,311	360,347	364,402	348,478	353,380	321,664	312,541
Public Works	1,790,130	2,340,767	1,623,164	1,430,999	985,157	2,885,760	3,113,402	1,593,086	1,898,453	2,196,979
Total governmental activities program revenues	3,304,736	4,114,633	3,428,932	3,883,071	3,520,167	5,259,447	5,775,817	4,253,160	4,636,386	4,661,188
Business type activities:										
Charges for services:										
Utilities	11,242,562	9,864,564	10,828,233	11,790,145	12,115,224	14,384,367	13,655,917	13,911,816	14,936,298	14,606,621
Sanitation	2,449,752	2,423,859	2,647,770	2,760,877	2,800,004	2,953,344	2,828,621	2,743,414	2,716,376	2,692,834
Stormwater	-	-	-	-	-	-	-	-	465,816	435,563
Total business type activities program revenues	13,692,314	12,288,423	13,476,003	14,551,022	14,915,228	17,337,711	16,484,538	16,655,230	18,118,490	17,735,018
Total primary government program revenues	$ 16,997,050	$ 16,403,056	$ 16,904,935	$ 18,434,093	$ 18,435,395	$ 22,597,158	$ 22,260,355	$ 20,908,390	$ 22,754,876	$ 22,396,206
Net (Expense) Revenue										
Governmental activities	$ (16,992,265)	$ (16,824,819)	$ (19,846,087)	$ (19,350,795)	$ (20,691,676)	$ (18,095,758)	$ (18,973,438)	$ (22,391,749)	$ (21,982,996)	$ (24,272,416)
Business type activities	2,193,824	49,528	425,297	1,229,852	963,817	1,919,629	747,553	(119,959)	1,537,960	1,454,258
Total primary government net expense	$ (14,798,441)	$ (16,775,291)	$ (19,420,790)	$ (18,120,943)	$ (19,727,859)	$ (16,176,129)	$ (18,225,885)	$ (22,511,708)	$ (20,445,036)	$ (22,818,158)

General Revenues and Other Changes in Net Position

Governmental activities:										
Taxes:										
Ad valorem	$ 13,406,362	$ 13,837,528	$ 14,724,370	$ 15,399,326	$ 15,918,098	$ 15,928,388	$ 15,484,579	$ 15,444,115	$ 16,160,020	$ 16,971,682
Sales tax	3,321,100	3,290,325	3,269,205	2,939,262	3,228,336	3,584,805	3,395,645	3,498,422	4,014,191	4,229,485
Franchise Fees	2,019,474	2,075,069	2,071,490	2,136,595	2,049,354	2,207,303	2,094,494	1,989,121	2,122,312	2,228,552
Investment earnings	1,962,738	2,218,786	1,455,605	414,462	369,718	208,533	188,888	98,286	172,591	287,428
Other	219,687	120,804	91,966	1,333,295	1,065,968	502,174	90,026	1,429,414	4,373,130	2,343,344
Contribution	2,746	2,821	1,026	34	34	34	32	-	-	-
Donations	43,925	11,520	34,614	240,640	51,462	33,596	12,276	137,043	83,759	84,614
Gain on sale of capital assets	138,037	62,098	724,008	17,804,603	-	-	-	-	-	-
Transfers	(1,531,957)	(341,916)	647,824	(352,176)	(352,176)	(352,176)	(352,176)	(352,176)	(952,176)	(1,556,545)
Total governmental activities	19,582,112	21,277,035	23,020,108	39,916,041	22,330,794	22,112,657	20,913,764	22,244,225	25,973,827	24,588,560
Business type activities:										
Investment earnings	415,086	425,616	239,132	61,253	1,792	2,738	3,241	1,974	448	2,230
Other	75,913	124,203	115,979	88,826	73,036	-	75,997	75,926	80,837	64,441
Gain (loss) on sale of capital assets	55,406	26,292	16,158	(4,818)	-	-	-	-	-	-
Transfers	1,531,957	341,916	(647,824)	352,176	352,176	352,176	352,176	352,176	952,176	1,556,545
Total business type activities	2,078,362	918,027	(276,555)	497,437	427,004	354,914	431,414	430,076	1,033,461	1,623,216
Total primary government	$ 21,660,474	$ 22,195,062	$ 22,743,553	$ 40,413,478	$ 22,757,798	$ 22,467,571	$ 21,345,178	$ 22,674,301	$ 27,007,288	$ 26,211,776
Change in Net Position										
Governmental activities	$ 2,589,847	$ 4,452,216	$ 3,174,021	$ 20,565,246	$ 1,639,118	$ 4,016,899	$ 1,940,326	$ (147,524)	$ 3,990,831	$ 316,144
Business type activities	4,272,186	967,555	148,742	1,727,289	1,390,821	2,274,543	1,178,967	310,117	2,571,421	3,077,474
Total primary government	$ 6,862,033	$ 5,419,771	$ 3,322,763	$ 22,292,535	$ 3,029,939	$ 6,291,442	$ 3,119,293	$ 162,593	$ 6,562,252	$ 3,393,618

Source: Comprehensive Annual Financial Report

CITY OF UNIVERSITY PARK, TEXAS **Table 3**
FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	2006	2007	2008	2009	2010
General Fund					
Reserved	$ 980,093	$ 1,029,841	$ 1,322,841	$ 1,195,862	$ 940,083
Unreserved	14,190,255	10,731,289	7,428,129	23,743,726	24,285,828
Total General Fund	$ 15,170,348	$ 11,761,130	$ 8,750,970	$ 24,939,588	$ 25,225,911
All Other Governmental Funds					
Reserved	$ 413,448	$ 6,777,509	$ 7,588,765	$ 3,451,470	$ 1,459,551
Unreserved, reported in:					
Capital Projects fund	15,890,519	5,011,524	4,619,939	5,931,904	7,971,336
Special revenue funds	44,281	53,741	76,919	132,990	52,888
Total all other governmental funds	$ 16,348,248	$ 11,842,774	$ 12,285,623	$ 9,516,364	$ 9,483,775

Note: In fiscal year 2011, the City implemented GASB 54, which classifies fund balance as nonspendable, restricted, committed, assigned and unassigned. No previous years were restated.

	2011	2012	2013	2014	2015
General Fund	$ 447,942	$ 502,835	$ 518,976	$ 557,109	$ 576,174
Nonspendable					
Restricted	1,274,954	-	-	-	-
Committed	20,750,202	20,750,202	20,750,202	20,750,202	20,750,202
Assigned	711,397	644,732	503,441	455,547	306,923
Unassigned	5,126,786	6,194,370	5,234,423	5,560,558	6,519,025
Total General Fund	$ 28,311,281	$ 28,092,139	$ 27,007,042	$ 27,323,416	$ 28,152,324
All Other Governmental Funds					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Spendable					
Restricted	-	-	-	-	229,197
Committed	-	-	-	-	-
Assigned	9,831,161	10,824,871	9,647,996	12,456,022	12,275,219
Unassigned	-	-	-		
Total all other governmental funds	$ 9,831,161	$ 10,824,871	$ 9,647,996	$ 12,456,022	$ 12,504,416

Source: Comprehensive Annual Financial Report

CITY OF UNIVERSITY PARK, TEXAS **Table 4**
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes:										
Ad Valorem	$ 13,319,850	$ 13,966,786	$ 14,697,483	$ 15,397,077	$ 15,942,896	$ 15,942,729	$ 15,502,274	$ 15,437,318	$ 16,029,692	$ 17,043,636
Sales	3,321,100	3,290,325	3,269,205	2,939,262	3,228,336	3,584,805	3,395,645	3,498,422	4,014,191	4,229,485
Franchise fees	2,019,474	2,075,069	2,071,490	2,136,595	2,049,354	2,207,303	2,094,494	1,989,121	2,122,312	2,228,552
Permits and licenses	2,152,435	2,818,039	2,062,834	1,572,127	1,071,690	2,973,785	3,192,446	1,673,681	1,985,049	2,309,390
Fines	866,616	1,025,511	1,074,478	524,952	529,704	460,329	769,308	758,962	839,055	633,083
Charges for services	-	-	-	1,740,278	1,546,781	1,468,322	1,434,766	1,465,817	1,785,939	1,738,025
Other	566,448	436,362	1,111,861	1,360,856	1,424,116	2,329,790	451,824	1,876,407	4,400,268	2,362,884
Investment income	1,734,016	1,889,314	1,123,434	414,462	369,718	208,533	188,888	98,286	172,591	287,428
Donations	43,925	11,520	34,614	240,640	51,462	33,596	12,276	137,043	83,759	84,614
Total revenues	24,023,864	25,512,926	25,445,399	26,326,249	26,214,057	29,209,192	27,041,921	26,935,057	31,432,856	30,917,097
Expenditures										
General Government	3,396,628	3,333,909	3,623,013	3,711,731	3,726,579	3,908,128	3,710,920	3,940,032	4,081,360	4,855,769
Public Safety	9,336,480	10,210,581	10,910,732	11,492,897	11,612,306	11,792,300	11,769,965	12,193,142	12,288,514	12,772,317
Streets	1,763,650	1,834,321	2,004,345	1,807,372	1,872,562	1,737,530	1,780,280	1,745,127	1,848,867	1,998,240
Parks	2,488,178	2,771,357	2,886,318	2,935,266	3,101,504	3,105,560	3,080,028	3,140,013	3,188,534	3,225,558
Public Works	2,370,100	2,489,824	2,950,749	2,811,921	2,684,192	2,611,421	2,528,517	2,812,070	2,779,473	2,847,099
Capital Outlay	3,039,469	12,445,710	6,285,377	7,875,116	4,611,004	2,269,321	3,045,468	5,014,469	3,169,532	2,784,267
Total expenditures	22,394,505	33,085,702	28,660,534	30,634,303	27,608,147	25,424,260	25,915,178	28,844,853	27,356,280	28,483,250
Excess of revenues over (under) expenditures	1,629,359	(7,572,776)	(3,215,135)	(4,308,054)	(1,394,090)	3,784,932	1,126,743	(1,909,796)	4,076,576	2,433,847
Other Financing Sources (Uses)										
Transfers in	3,535,005	7,424,661	6,488,020	4,990,191	4,680,020	2,680,020	4,108,561	3,053,014	5,975,020	2,774,428
Transfers out	(5,066,962)	(7,766,577)	(5,840,196)	(5,342,367)	(3,032,196)	(3,032,196)	(4,460,736)	(3,405,190)	(6,927,196)	(4,330,973)
Proceeds from the sale of real estate	-	-	-	18,079,589	-	-	-	-	-	-
Total other financing sources (uses)	(1,531,957)	(341,916)	647,824	17,727,413	1,647,824	(352,176)	(352,175)	(352,176)	(952,176)	(1,556,545)
Net change in fund balances	$ 97,402	$ (7,914,692)	$ (2,567,311)	$ 13,419,359	$ 253,734	$ 3,432,756	$ 774,568	$ (2,261,972)	$ 3,124,400	$ 877,302

Source: Comprehensive Annual Financial Report

CITY OF UNIVERSITY PARK, TEXAS **Table 5**
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Real Property		Business Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Residential	Commercial				
2006	4,975,653,730	624,476,590	66,321,690	1,352,302,169	4,314,149,841	0.3096
2007	5,598,626,050	723,856,170	57,858,950	1,576,073,433	4,804,267,737	0.2927
2008	6,494,649,520	951,392,770	64,453,300	2,065,659,046	5,444,836,544	0.2684
2009	7,222,753,610	1,328,001,550	69,328,260	2,813,471,585	5,806,611,835	0.2655
2010	7,266,425,510	1,390,034,530	71,886,140	2,742,338,498	5,986,007,682	0.2655
2011	6,863,828,520	1,405,826,170	70,896,650	2,633,438,386	5,707,112,954	0.2785
2012	6,654,905,050	1,424,711,540	69,909,780	2,581,437,846	5,568,088,524	0.2785
2013	6,644,042,790	1,525,744,050	71,281,470	2,653,643,498	5,587,424,812	0.2785
2014	6,996,977,160	1,666,485,480	75,369,540	2,839,055,026	5,899,777,154	0.2743
2015	7,573,817,110	1,806,314,070	81,981,600	3,113,142,452	6,348,970,328	0.2698

Note: Property in the City is reassessed each year. Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per $100 of assessed value

Source: Dallas Central Appraisal District "Summary of the Certified Estimated Values Report."
Dallas County Tax Office "Property Tax Rates."

CITY OF UNIVERSITY PARK, TEXAS **Table 6**
DIRECT AND OVERLAPPING PROPERTY TAX RATES
(per $100 of assessed value)
Last Ten Fiscal Years
(Unaudited)

	City Direct Rates			Overlapping Rates				
Fiscal Year	Operating/ General Rate	General Obligation Debt Service	Total Direct	Highland Park Independent School District	Dallas County	Parkland Hospital District	Dallas County Community College District	Total
2006	0.3096	-	0.3096	1.5300	0.2192	0.2540	0.0816	2.3944
2007	0.2927	-	0.2927	1.3557	0.2189	0.2540	0.0810	2.2023
2008	0.2684	-	0.2684	1.0367	0.2328	0.2540	0.0804	1.8723
2009	0.2655	-	0.2655	1.0900	0.2330	0.2540	0.0894	1.9319
2010	0.2655	-	0.2655	1.1100	0.2333	0.2740	0.0949	1.9777
2011	0.2785	-	0.2785	1.1150	0.2531	0.2710	0.0992	2.0168
2012	0.2785	-	0.2785	1.1342	0.2531	0.2710	0.0997	2.0365
2013	0.2785	-	0.2785	1.1342	0.2530	0.2710	0.1194	2.0561
2014	0.2743	-	0.2743	1.1267	0.2531	0.2760	0.1247	2.0548
2015	0.2698	-	0.2698	1.1181	0.2531	0.2860	0.1248	2.0518

Note: All outstanding debt of the City was extinguished in fiscal 2002.

Source: Dallas Central Appraisal District "Ad Valorem Tax Rates for Dallas County".

CITY OF UNIVERSITY PARK, TEXAS
PRINCIPAL PROPERTY TAX PAYERS
Current Year and Ten Years Ago
(Unaudited)

Table 7

	2015			2006		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Caruth Preston Road	$ 71,706,370	1	1.13%	$ 41,629,830	1	0.96%
Gerald J. Ford	24,565,624	2	0.39%	10,161,760	6	0.24%
Southern Methodist University	22,872,850	3	0.36%	23,533,693	3	0.55%
Peruna Holdings Corp.	21,718,580	4	0.34%	41,115,790	2	0.95%
Intercity Investments Inc	19,890,950	5	0.31%	12,213,220	5	0.28%
Birmingham Wallace LP	14,700,000	6	0.23%			
Trevor D. Rees-Jones	13,587,096	7	0.21%			
Mary Clare Finney	13,038,848	8	0.21%			
HG Residence Trust	12,895,224	9	0.20%			
CNL Retirement CRSI Park	12,600,000	10	0.20%	9,999,750	8	0.23%
John C. & Debbie Tolleson				10,122,436	7	0.23%
Rufus C. Porter				12,981,224	4	0.30%
Patrick & Suzanne McGee				9,053,896	9	0.21%
Stanford C Finney				8,477,920	10	0.20%
	$ 227,575,542		3.58%	$ 179,289,519		4.15%

Source: Dallas County Tax Office

CITY OF UNIVERSITY PARK, TEXAS **Table 8**
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Original Levy
2006	13,359,331	13,220,374	98.96%	49,891	13,270,265	99.33%
2007	14,066,479	13,912,826	98.91%	73,892	13,986,718	99.43%
2008	14,614,559	14,474,167	99.04%	143,441	14,617,608	100.00%
2009	15,418,745	15,249,426	98.90%	79,574	15,329,000	99.42%
2010	15,893,856	15,739,996	99.03%	47,436	15,787,432	99.33%
2011	15,903,248	15,769,437	99.16%	39,146	15,808,583	99.40%
2012	15,507,883	15,384,088	99.20%	1,884	15,385,972	99.21%
2013	15,561,032	15,377,061	98.82%	10,068	15,387,129	98.88%
2014	16,187,443	15,956,992	98.58%	(12,309)	15,944,683	98.50%
2015	17,133,359	16,961,640	99.00%	-	16,961,640	99.00%

Source: Dallas County Tax Office

CITY OF UNIVERSITY PARK, TEXAS **Table 9**
RATIO OF OUTSTANDING DEBT
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	General Obligation Refunding Bonds	Percentage of Personal Income	Per Capita
2006	-	-	-
2007	-	-	-
2008	-	-	-
2009	-	-	-
2010	-	-	-
2011	-	-	-
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015	-	-	-

Note: All outstanding debt of the City was extinguished in fiscal 2002.

CITY OF UNIVERSITY PARK, TEXAS **Table 10**
RATIO OF NET GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	General Obligation Refunding Bonds	Less: Amount Available for Debt Service	Net Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-

Note: All outstanding debt of the City was extinguished in fiscal 2002.

CITY OF UNIVERSITY PARK, TEXAS **Table 11**
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of September 30, 2015
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Highland Park Independent School District	$ 87,110,000	56.19%	$ 48,947,109
Dallas County	84,725,000	3.59%	3,041,628
Dallas County Community College District	321,510,000	3.44%	11,059,944
Dallas County Hospital District	728,005,000	3.53%	25,698,577
Dallas Independent School District	2,546,265,000	0.03%	763,880
Subtotal, overlapping debt			89,511,138
City of University Park direct debt			-
Total direct and overlapping debt			$ 89,511,138

Source: First Southwest Company

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of The City of University Park. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

CITY OF UNIVERSITY PARK, TEXAS **Table 12**
PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years
(Unaudited)

The City of University Park has no non-general obligation, long-term debt.

CITY OF UNIVERSITY PARK, TEXAS **Table 13**
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Tax Rate Limit	$ 2.5000	$ 2.5000	$ 2.5000	$ 2.5000	$ 2.5000	$ 2.5000	$ 2.5000	$ 2.5000	$ 2.5000	$ 2.5000
Current Tax Rate	$ 0.3096	$ 0.2927	$ 0.2684	$ 0.2655	$ 0.2655	$ 0.2785	$ 0.2785	$ 0.2785	$ 0.2743	$ 0.2698
Available Tax Rate	$ 2.1904	$ 2.2073	$ 2.2316	$ 2.2345	$ 2.2345	$ 2.2215	$ 2.2215	$ 2.2215	$ 2.2257	$ 2.2302

Note: The City Charter of The City of University Park does not provide for a debt limit. Under provisions of Texas state law, the maximum tax rate is limited to $2.5 per $100 assessed valuation.

Source: Dallas Central Appraisal District "Summary of the Certified Estimated Values Report."
Dallas County Tax Office "Property Tax Rates."

CITY OF UNIVERSITY PARK, TEXAS **Table 14**
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years
(Unaudited)

Year	Estimated Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2006	23,324	1,520,492	65,190	31.2	6,293	4.2%
2007	23,324	1,527,395	65,486	31.2	6,300	4.1%
2008	23,324	1,534,206	65,778	31.2	6,250	5.0%
2009	23,324	1,541,110	66,074	31.2	6,400	7.0%
2010	23,068	1,539,997	66,759	27.8	6,448	7.1%
2011	23,068	1,539,997	66,759	27.8	6,448	7.0%
2012	23,040	1,461,059	63,414	29.7	6,757	5.6%
2013	22,920	1,607,013	70,114	29.7	6,848	5.4%
2014	22,860	1,602,806	70,114	29.7	6,804	3.9%
2015	22,840	1,784,672	78,138	29.8	6,804	3.3%

Source: Estimated population obtained from the North Central Texas Council of Governments, 2015 Population Estimates Report.
Per Capita Personal Income obtained from the North Central Texas Council of Governments, 2010-2012.
Current and updated median age via city-data.com.
Current and updated school enrollment via neighborhoodscout.com.
Current and updated unemployment rate via homefacts.com.

CITY OF UNIVERSITY PARK, TEXAS
PRINCIPAL EMPLOYERS
Current Year
(Unaudited)

Table 15

UNIVERSITY PARK

Employer	Rank	Employees	Percentage of Total City Employment
Southern Methodist University	1	2,500	22%
Highland Park ISD	2	800	7%
Martini Hospitality	3	500	4%
City of University Park	4	239	2%

DALLAS COUNTY

Employer	Rank	Employees
Bank of America	1	20,000
Dallas ISD	2	18,314
Baylor Health Care System	3	17,097
AT&T	4	15,800
JP Morgan Chase & Co.	5	13,500
UT Southwestern Medical Center	6	13,122
City of Dallas	7	12,836
U.S. Postal Service	8	10,439
Texas Instruments Inc.	9	9,100
Parkland Health and Hospital	10	8,134

COLLIN COUNTY

Employer	Rank	Employees
Raytheon Company	1	8,700
Target Corp.	2	8,674
JC Penny Co	3	7,964
Plano ISD	4	6,400
Frisco ISD	5	5,000
HP Enterprise Services	6	4,800
Stonebriar Centre	7	3,456
Shops at Willow Bend	8	3,240
Capital One	9	3,175
Frito-Lay	10	3,000

Note: The City of University Park is primarily residential in nature, with a highly mobile workforce. Nestled between the north/south routes of the Dallas North Tollway to the west, and North Central Expressway to the east, the majority of commuters are likely employed in either Dallas or Collin County. Therefore, the major employers of those areas are presented along with the top 4 employers within the City limits. No comparative prior period information is available. Employers information was found in destinationdfw.com and North Central Texas Council of Governments sites/reports, and therefore is not intended as an accurate portrayal of actual City employment.

CITY OF UNIVERSITY PARK, TEXAS **Table 16**
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Unaudited)

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Administrative	5	5	5	5	5	5	5	5	5	5
Finance	8	8	8	7	7	7	6	5	6	6
Human Resources	2	2	2	2	2	2	2	2	2	2
Information Services	4	4	4	4	5	5	5	5	5	5
Library								4	4	4
Facility Maintenance	4	4	4	3	3	3	2	2	2	2
Public Safety										
Police										
Officers	39	39	39	39	39	37	39	35	39	39
Civilians	10	11	11	9	11	12	10	13	14	11
Fire										
Firefighters and officers	32	37	36	34	35	35	34	34	35	35
Civilians	4	1	1	1	1	1	1	1	1	1
Municipal Court	2	2	2	2	2	2	2	2	2	2
Parks	25	25	25	24	24	24	22	22	22	22
Public Works										
Community Development	8	8	8	9	9	9	10	11	11	9
Engineering	7	7	7	6	6	6	6	5	5	5
Traffic	7	7	7	7	7	6	7	7	7	7
Streets	17	17	17	16	16	16	16	16	17	16
Utilities	31	31	31	32	32	31	28	32	31	31
Sanitation	25	26	27	26	26	25	26	27	27	27
Equipment Services	10	10	10	10	10	10	10	10	10	10
Capital Projects	0	0	1	1	1	1	1	0	0	0
Total	240	244	245	237	241	237	232	238	245	239

Source: City Human Resource Department.

CITY OF UNIVERSITY PARK, TEXAS **Table 17**
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Unaudited)

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Police										
Parking tickets	5,548	5,863	5,783	5,481	4,927	5,277	8,426	7,333	6,886	2,873
Traffic violations	2,703	3,084	5,914	6,859	3,808	5,133	5,169	4,050	5,838	5,774
Accident calls	568	517	497	353	340	217	210	198	188	535
Total calls for service	16,888	17,616	17,336	16,907	19,946	25,835	25,756	24,162	24,636	27,767
Fire										
Number of fire runs	1,193	1,286	1,333	1,250	1,340	1,185	1,227	1,437	1,485	1,547
Number of EMS runs	1,059	1,063	1,251	1,120	1,156	1,113	1,012	1,100	1,073	1,033
Inspections	324	337	478	528	685	725	791	819	1,040	874
Parks										
Pool passes issued	2,960	2,758	2,755	2,635	3,480	3,422	3,186	3,161	3,036	2,821
Public Works										
Building permits issued	3,033	3,117	2,634	2,078	2,203	2,597	2,792	3,036	3,257	3,040
Work orders completed	12,427	8,996	9,911	9,406	7,576	7,758	8,203	7,436	6,970	7,538
Sanitation										
Waste hauled (tons)	15,209	15,035	14,012	15,508	17,219	15,022	15,295	15,052	14,487	15,139
Recycled materials (tons)	1,163	1,313	4,190	2,393	2,734	2,854	2,961	2,886	3,116	3,298
Utilities										
Number of consumers	8,504	8,574	8,624	8,732	8,764	8,790	8,747	8,813	8,848	8,797
Average daily consumption (ten thousands of gallons)	5,154	3,835	4,234	4,511	4,159	5,797	4,844	4,403	4,095	3,931

Sources: Various City Departments.

CITY OF UNIVERSITY PARK, TEXAS **Table 18**
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Unaudited)

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	10	10	18	20	13	12	12	12	12	13
Motorcycle units	1	0	0	1	1	0	0	0	0	0
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Trucks	3	3	3	3	3	4	4	4	3	3
MICU	1	1	1	2	2	2	2	2	2	2
Parks										
Parks (acres)	59	59	60	60	60	60	60	60	60	60
Parks (number of)	8	8	8	8	8	9	10	10	11	11
Playgrounds	7	8	9	9	9	8	8	8	9	9
Swimming Pools	1	1	1	1	2	2	2	2	2	2
Tennis Courts	6	6	12	12	12	12	12	12	12	12
Water										
Water mains (miles)	89.41	89.41	89.41	90.01	90.01	88	73.9	73.1	73.1	73.1
Fire hydrants	498	498	498	505	515	520	469	462	473	473
Streets										
Streets (miles)	71.4	71.4	71.4	71.4	71.4	71.4	71.4	70.7	70.2	70.2
Sewer										
Sanitary sewer lines (miles)	61	61	61	61	61	61	61	62.9	63.68	63.68
Storm sewer lines (miles)	16	16	16	16	16	16	16	16	16	16

Source: Various City Departments.